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ABSTRACT

This document reports on phase 1 of the Special Preparatory Programme for the European Social Fund (SPP-ESF), which was undertaken to gather information on the transfer and exchange of experiences from the European Union (EU) to the 10 accession countries of Central and Eastern Europe. The 2 chapters constituting the first 15% of the report examine the SPP-ESF study visits to 11 Eastern European countries and the Brussels SPP follow-up conference that reviewed the latest developments in Structural Fund reform, the European Employment Strategy and the influence these are having on the European Commission's pre-accession strategy. Among the topics discussed are the following: study methodology; criteria for selecting study countries; case study findings; and conference logistics, contents, agenda, and the evaluation questionnaire survey. The remaining 85% of the document consists of reports on the EU countries visited (Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom) and reports on the state of readiness in 10 candidate country administrations for future access to the European Social Fund (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic, and Slovenia). Lists of abbreviations and participants in the study visits and Brussels conference are appended. (MN)

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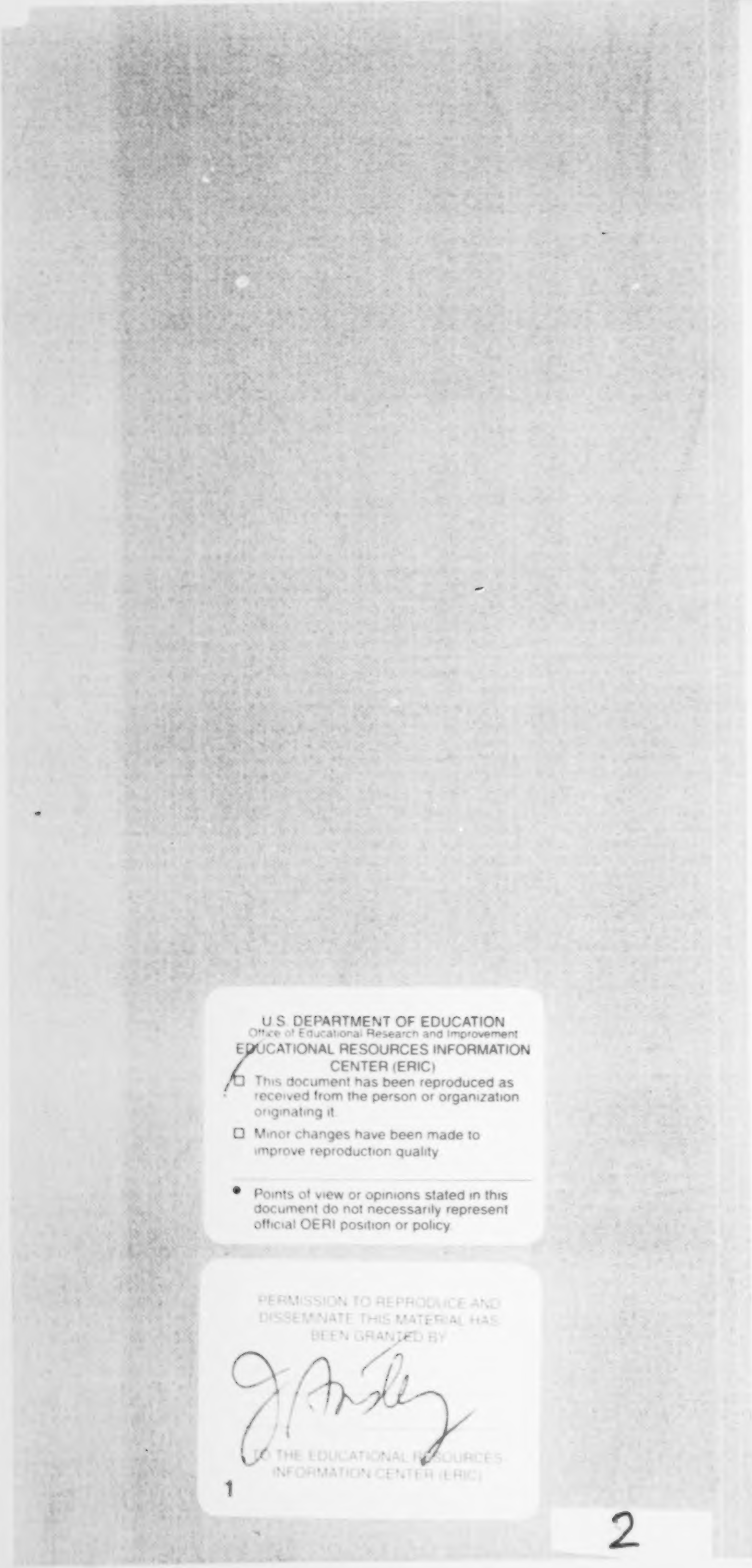
Phare



Special Preparatory Programme for the European Social Fund

A Composite Report on the Study Visits - Phase 1

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Special Preparatory Programme
for the
European Social Fund

A COMPOSITE REPORT
ON THE STUDY VISITS
PHASE I

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PART A
OVERALL CONCLUSIONS

A.1 The SPP-ESF Study visits to the EU

A.1.1 *Foreword*

The organisation of study visits to the European Union for candidate country officials participating in the SPP/ESF programme was the result of intensive cooperation between European Training Foundation programme managers and their counterparts in the European Union. We would like to thank all those involved in making this programme a real success. At the follow-up conference in Brussels, the candidate countries were unanimous in emphasising the key value-added that these exchanges have had in helping them prepare for accession. They expressed the wish that study visits of this kind be continued.

The SPP-ESF Study Visits Programme

Host Country	Visiting Countries	Dates	European Training Foundation Programme Manager responsible
Denmark	**Lithuania and Slovenia**	24-28 May	Henrik Faudel
France	**Hungary**	12-16 April	Gérard Mayen
Finland	**Bulgaria**	16-24 April	Hanna Autere
Germany	**Czech Republic, Estonia and Poland**	5-11 April	Evelyn Viertel
Ireland	**Czech Republic and Slovak Republic**	13- 19 March	Brian Tisdall
Ireland	**Hungary**	22-28 May	Brian Tisdall
Ireland	**Lithuania**	26-30 July	Brian Tisdall
Italy	**Romania**	3-7 May	Milena Corradini
Netherlands	**Latvia**	25-28 May	Hanna Autere
Portugal[1]	**Bulgaria and Czech Republic**	1-3 February	María Victoria de Yturriaga
Portugal	**Estonia, Romania and Slovenia**	12-16 April	Milena Corradini
Spain	**Bulgaria and Poland**	22-26 March	María Victoria de Yturriaga
Sweden	**Slovak Republic**	19-23 April	Roberto Daneo
U.K	**Latvia**	19-23 April	Steve Pope

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A.1.2 Background to the study visit programme

Following the successful organisation of introductory seminars in Sofia, Prague, Warsaw and Lisbon during January 1999, the Special Preparatory Programme for the European Social Fund (SPP-ESF) switched to a new phase which focused on the transfer and exchange of experiences from the European Union to the ten accession countries of Central and Eastern Europe.

The European Training Foundation was requested by the European Commission to manage this multi-national Phare programme in November 1998. The budget for the programme is 2.1 million Euros and the implementation period is 1998-2000. The overall objective of the SPP-ESF is to support institution-building in the ten Phare candidate countries and to support preparations for accession, particularly as far as administering the ESF is concerned.

A preliminary report on the conclusions of the first four introductory seminars was produced in June 1999 and can be obtained from the Foundation s Information Department. The present report covers the activities implemented, under the SPP-ESF horizontal programme, between February and July 1999 and summarises the conclusions of the study visits and the Brussels conference.

The terms of reference of the SPP-ESF programme require three officials from each candidate country to participate in one-week study visits to two EU Member States (including one Member State with an Objective 1 status). The purpose of these visits is to allow officials, in particular from education and labour ministries/agencies in the partner countries, to get some practical insight into how different EU administrations have successfully designed and implemented ESF employment and training activities.

The interest displayed by the partner countries in the study visits was so great, that, in several instances, additional officials participated in the visits at the expense of their own administrations. In the end, a total of fourteen study visits were organised to eleven European Union countries over a period of six months. At the end of the study visits cycle, participants were invited to a wrap-up seminar hosted by DG V in Brussels (June 1999). The conclusions of this conference are also included in the present report.

A.1.3 Methodology/choice of countries

The choice of study visit destinations was the result of intensive discussions between DG V, the European Training Foundation, EU Member States and the partner countries. An effort was made to cover as many Member States, particularly Objective 1 countries, as possible and the overall response from the EU ESF coordination missions contacted was excellent. Unfortunately, not all countries could be visited and, for this reason, the national experiences of those who were not were presented during the introductory seminars held in the partner countries, Lisbon and Brussels.

The partner countries chose the EU Member States to be visited on the basis of various considerations: size of country; Structural Funds eligibility (Objectives 1,2 etc), the administrative model chosen by the country (centralised versus decentralised), level of experience in Structural Funds administration (experienced administrations versus recent EU members), results of Structural Funds/ESF implementation etc. The emphasis on these factors meant that there was a

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[1] This study visit was organised for five officials from Bulgaria and the Czech Republic and followed on from the Lisbon conference which was organised with the support of the European Training Foundation. This visit was financed by the participants with the generous and effective support of the IEFP (Institituto do Emprego e Forma ao Profissional)

very high demand to visit two countries whose experience was seen as particularly relevant to a number of partner countries, Portugal and Ireland. On the other hand, it was clear that partner countries would like to learn from and about the experience of as many Member States as possible and feedback was very positive for all the countries visited.

A.1.4 Summary of the EU case studies

Denmark

Denmark has no Objective 1 regions and has one of the lowest unemployment rates in Europe (6%). Lithuanian visitors to Denmark were interested in seeing how this small EU country uses the relatively small amount of Structural Funds/ESF funding, which it receives, efficiently. Visiting officials saw how a "regional social fund plan", which will translate into actual projects, is based on an analysis of labour market needs. They were also made aware of the essential role played by social partners in all phases of ESF implementation and were introduced to two innovative initiatives: OPUS (software which is being developed to ease the burden of work of administrators in the public service and in the projects) and a six-week modular training programme to train "European Programme Managers".

Finland

Today, Finland has one of the highest rates of unemployment in the EU. In one of its Objective 6 regions (North Karelia), unemployment reached a peak 24% in 1994. Partly for this reason, 33.8% of all Structural Fund aid to Finland goes to the ESF. Bulgarian visitors to Finland had the opportunity to visit North Karelia whose problems are similar to those of an Objective 1 region. (Indeed, in the next programming period, the regions will fall into this category.) The Bulgarian delegation was very interested to learn how the Finnish administration had prepared itself to enter the Union. It was also able to witness preparations for the first Finnish Presidency of the Union. Finnish officials had four important pieces of advice for their visitors:

i) the need for Ministries of Education and Labour to work in very close cooperation;

ii) the importance of developing good regional structures for Structural Fund administration;

iii) the importance of linking ESF and national policies while maintaining a separate lists of priorities for each; and

iv) the need to coordinate the activities and funding of different EU programmes.

France

Hungarian visitors to Paris and Nord Pas de Calais (an Objective 1 region) were given the chance to analyse the complexity of ESF management, particularly the cultural differences between various stakeholders (national and regional administrative cultures versus the private sector culture of promoters). Participants learnt about the experience of RACINE in managing and implementing the ESF and were warned of the dangers of excessive bureaucracy. Visitors were particularly interested in studying the well-developed links between initial and continuing vocational education and training systems in France and identified a number of implications that the introduction of the ESF would have in their countries. These included the need to develop an adapted national legal system and to ensure that civil servants and promoters are well trained for the job. It would also require the introduction of effective information and assistance systems, rigorous auditing and control and analytical accountancy systems.

Germany

Since 1990, the German labour market has undergone fundamental changes as a result of reunification. In the last decade, the ESF has served to mitigate the effects of rising unemployment levels and to strengthen solidarity among the German regions. Most ESF support to Germany goes to the new Länder. Officials from the Czech Republic, Estonia and Poland visiting Berlin had an interesting overview of the challenges and difficulties faced by the former GDR in the period following reunification and its incorporation into the European Union. During the study visit, which also included visits to Bonn and Düsseldorf, officials learnt about labour market and vocational training policies at national and regional levels. A key lesson from the visit was that active labour market policies go far beyond short-term training for the unemployed. Visiting officials were particularly impressed with the way in which various actors are mobilised to take part in (and to contribute in various ways, including co-funding, to) concerted actions aimed at using ESF support to create new training places and jobs, provide assistance to individuals seeking further training and to help disadvantaged people to integrate or re-integrate into the labour market and society. Germany is also an interesting case study in that the ESF is used to finance measures that are not covered by German legislation.

Ireland

Visiting delegates from the Czech Republic, Hungary, Slovak Republic and Lithuania studied how Ireland has built its ESF framework upon an already existing infrastructure. They were interested to see that Ireland has chosen to use public training providers to deliver ESF support with excellent results. Visits to FÁS were highly appreciated, particularly since the Hungarian continuing vocational training system is based on the FÁS model. Hungarian officials were able to verify for themselves how the adult training centres have contributed to the recent success of the Irish economy. As a result of the visit, the Hungarian delegation is going to suggest a stock-taking review of the Hungarian education and training system to ascertain the changes that are required for Hungary to take full advantage of the ESF. For their part, Czech and Slovak officials considered FÁS as a possible model for the development of their continuing vocational training capacity. The Irish ESF Information Office, too, was considered a very interesting example of good practice, especially in view of the fact that staff costs are covered up to 75% by the ESF.

Italy

Romanian delegates visiting Italy were interested in the institutional framework and the decision-making process for the ESF and the Structural Funds and, in particular, in how national and regional authorities work together in the development of plans on the use of the funds. It was also useful for them to learn how the social partners are involved in all the processes and how direct action with entrepreneurs can generate employment opportunities. Finally, visitors were impressed by the efficient computerised system for monitoring and transmitting data on the ESF.

The Netherlands

The Netherlands was chosen by the Latvian delegation because of the generql success of its economy, its system of vocational education and training and its similar geographical size. The visitors were impressed by the degree of decentralisation in the Dutch system, where there are only a few people involved in coordination at national level. A key message from the Dutch officials in this respect was to keep ESF planning at the priority level and to avoid creating too many national rules so that planning remains flexible. Their experience would also lead them to emphasise the need to integrate the ESF with national policies. Finally, the Dutch case is an excellent example of social partnership involvement

Portugal

At the time of its accession to the EU, Portugal's economic, social and demographic indicators were, in certain respects, comparable to those of several of the current pre-accession countries. In view of this, and of the considerable socio-economic improvement it has experienced in recent years, six out of the ten accession countries requested to visit Portugal. Delegates from Bulgaria, the Czech Republic, Romania, Estonia and Slovenia were extremely satisfied and encouraged with what they saw and learnt from their Portuguese colleagues. Because Portugal's accession to the European Union is relatively recent, the pre-accession process is still fresh in the memory of those who were involved while enough time has passed to allow a first evaluation of the impact to be made. It was very interesting to learn that 13 years after the introduction of structural policies, the region of Lisbon is to lose its Objective 1 status, that Portugal has completely reformed its vocational education and training system with ESF support and that, against general trends towards regionalisation, Portugal prefers to view itself as one single region (or two at most). Many interesting lessons came out of the visits and visitors were given lots of good advice which served to confirm their belief in the potential benefits of involvement in the ESF.

Spain

Spain is the largest beneficiary of ESF aid. The study visit gave participants from Poland and Bulgaria a wide overview of the complexity of ESF operational and administrative mechanisms in Spain at national and regional levels. Particular attention was given to the difficulties that involvement in the ESF creates for a large public administration. These included: complying with ESF regulations; organising and implementing planning and negotiating processes between the EU, the government and regional administrations; problems derived from staff shortages; and the specific training needs of national and regional administrations. The visitors were very interested in the ongoing transfer of responsibility for labour market policies, education and training provisions from Madrid to the regions. They were also eager to learn of the efforts of the Spanish government to curb the highest unemployment levels in the Union and the encouraging results that these have had. Another, and related, area of interest was the recent reform of the Spanish education and vocational training system and the new legal provisions for continuing vocational training.

Sweden

Visitors from Slovak Republic saw how Sweden has succeeded in adjusting training provision to labour market needs with very modern and comprehensive labour market services which seek to meet the needs of specific disadvantaged groups (handicapped, emigrants etc). It was also very interesting to see how the sudden rise in unemployment in the early 1990s was counteracted, very successfully, by a combination of active labour market and vocational education and training policies. Because of the relatively small size of its public service sector, the Swedish national authorities have delegated ESF implementation to an independent national agency, the AMS. Finally, social partnership involvement and the highly innovative nature of ESF-funded projects makes Sweden a very good case study.

United Kingdom

The Latvian visit to the UK took place at a time when much of the adminitsration of the ESF was being decentralised from the Head Office in the Department for Education and Enterprise to Government Offices in the regions. The study examined the UK ESF administration at various levels: Head Office; regional Government Offices in London and Merseyside; and ESF project promoters. The Merseyside programme area, which is similar in population terms to Latvia, provided many useful insights as it has had Objective 1 status from 1993-99 and will retain this status in the 2000-2006 programme period.

A.1.5 Conclusions

A.1.5.1 General assessment of the study visits

Participants from the partner countries made numerous comments on the study visits organised under the SPP-ESF programme. Overall, there seems to be a high degree of satisfaction with the visits and great appreciation of their value. In summary, the partner countries participants considered that the study visits have helped them:

- to gain an insight into national and regional application of the ESF and to learn about the relationships between the different actors;
- to improve their overall understanding of the functions of the Structural Funds and the ESF and of what is needed, in terms of organisation, staffing and qualifications, to administer them and to participate in different programmes and initiatives;
- to acquire a better mastery of ESF *jargon*, i.e. an understanding of the terminology used in Structural Fund Regulations and in the implementation of programmes and projects;
- to understand the roles and responsibilities of ESF missions in national Ministries;
- to learn about the differences between Phare and ESF management and, in particular, about the importance of national rules in ESF management;
- to examine how the ESF can be utilised to complement active employment policy measures provided for in the national programmes and, in so doing, to broaden the scope and increase the flexibility of these measures;
- to identify the implications of involvement in the ESF, particularly in terms of the following priority requirements: an appropriately adapted national legal system; well-trained civil servants and project promoters; effective information and assistance systems; and rigorous auditing, control and analytical accountancy systems.

According to most partner countries, the added value of these study visits to the European Union is undoubtedly very high. Some visiting delegations indicated nevertheless, that the time allowed for to the visit was enough for them to get an overview of the situation but not to go into the implementation process in any depth. They proposed that such study visits be developed further with DG V and European Training Foundation support and that the training scheme be extended to a wider range of civil servants.

Latvia as a case study

On the conclusion of their study visits to the United Kingdom and the Netherlands, the Latvian delegation made some interesting comments on the ESF which, in a way, summarise many of the concerns expressed by all the partner countries during the visits. For this reason, we are including their observations here, as they set the general tone of the report well.

The ESF is both an opportunity and a danger to Latvia. The opportunity lies in the ESF resources that may become available in the future. The Merseyside Objective 1 region has a smaller population than Latvia. It has received £600 million from the Structural Funds between 1993-1999 and will be receiving more in the next programme period. The danger is clearly in terms of the huge scale of ESF administration that is required at all levels: local, regional and national. In this context, certain key questions arise.

- *Will Latvia be able to find sufficient numbers of civil servants to manage the ESF? Will ESF technical assistance be able to stretch far enough to enable Latvia to increase its administrative capacity to manage the ESF?*
- *How can Latvia decentralise quickly enough to satisfy ESF demands in terms of the involvement of local and regional partners, not just as ESF promoters but as part of the ESF management process?*
- *How can the project management skills of local training providers be increased so that they are able to manage the complexities of the ESF?*
- *How can Latvia find sufficient co-financing?*

A.1.5.2 *Conclusions and comments by themes*

This section aims to summarise the know-how that resulted from the study visits. In order to make reading easier, a number of symbols have been used. These are as follows:

☞	Important for ESF implementation in the partner countries
✎	Important lessons of the EU-ESF experience
💣	Concerns and problems raised by partner countries in preparing ESF
☺	Possible cooperation between EU and partner countries
✉	Requests for additional information or assistance by partner countries
💻	partner countries proposals and/or ideas that could develop into projects

Partner countries' understanding of the ESF

The Romanian delegates provided us with what they understand to be a definition of the aims and scope of ESF. This encapsulates the remarks made by the partner country officials in general.

- The ESF is an important mechanism to promote economic and social cohesion.
- The ESF is an instrument to promote convergence between Member States.
- The Structural Funds and the ESF are a decisive support to development that would otherwise be difficult to achieve in EU Member States.
- The ESF strengthens subsidiarity.
- The ESF allows for movement between horizontal and vertical approaches.
- The ESF gives a distinct role and voice to the social partners.
- The ESF supports economic development through restructuring.

- The ESF creates synergy between all the governmental actors, as well as between all the social actors, involved.
- The ESF has a community-based approach.
- Regionalisation decreases the distance between decision-makers and beneficiaries.

☞ A lot of experience has been gained through the implementation of Phare-funded programmes in partner countries. These programmes have opened up the learning process for both administrators and promoters and have contributed to the creation of a know-how that will be particularly relevant in the new ESF-oriented activities planned under Phare 2000. However, the Phare programme has reached only a limited number of civil servants and the training needs of administrations (particularly at regional and local levels) are quite extensive in most partner countries.

The legal framework of the ESF

☞ Partner countries should examine the need for the establishment of a legal basis for the implementation and management of the ESF with clearly defined roles and responsibilities.

☞ The development of a legal framework for the adoption of the ESF should be based on the existing legal framework and should include, as a component of the national development plan, the national strategy for the development of human resources.

✎ It is the responsibility of national Governments to set up clear objectives and priority axes in order to make ESF rules clear and transparent to all the stakeholders. The division of competencies between the different administrative bodies and the rights and duties of project promoters and final beneficiaries must be defined. Specific national legislation related to Structural Fund and ESF management, monitoring and control and the evaluation of the Community Support Frameworks or Single Programming Documents might be considered. A legal matrix of this kind should aim to fit in with national and EU procedures. The national rules must obey EU Regulations and must comply with minimal standards (though Member States are free to set stricter norms). A good example is to be found in Denmark where the law on the administration of the ESF has proven to be very effective, particular with regard to the control of irregularities. The AMS, which is the main actor in the administration of the ESF in Denmark, reports yearly to DG XX and OLAF (Office Lutte Antifraud) on all irregularities and also gives guidance to project managers on project administration.

The Institutional Framework and ESF Management

☞ Structural Fund/ESF implementation requires good management and a considerable number of well-trained people at all levels of administration and implementation. A personal approach and flexibility are very important.

☞ Administrative structures in different countries differ. It is fundamental to ensure appropriate allocation of responsibility and of financial resources.

☞ It is fundamental to establish an adequate institutional setting and decision-making provisions on the use of the Structural Funds. In this respect, it is essential to integrate the ESF and national policies. All partner countries agreed that this process must be started now so that they can be ready to receive and use funds as efficiently as possible which they accede to the Union.

☞ Coordination and achieving synergy between activities carried out by different Structural Funds is difficult. However, achieving complementarity among the different funds is one of the keys to successful development. The secret lies in the correct combination of available EU funds with national budget allocations.

Public versus private training providers

✎ ESF administration represents an additional heavy workload for national and regional administrations. For example, spending performance in the Swedish Objective 6 programme was seriously jeopardised by the excessive number of bureaucratic steps involved in its implementation. To try to overcome this problem, the Swedish government has now opted to entrust the implementation of the ESF to independent government agencies outside the ministries, while retaining for itself the role of political coordination and overall responsibility. Throughout the EU, the use of external agencies to implement some or most of the ESF is not uncommon. These agencies can be public, private or semi-state-owned. In Ireland, for example, the overwhelming majority of these agencies are state or semi-state owned. There is no one or perfect solution to this problem but there is a need to find the model that best suits each individual country. As a partner country delegate rightly observed, private agencies may not be willing to share best practice. At the same time, the competitive behaviour of private companies could be useful in some cases. Public or private agencies are both valid choices, though for different reasons.

✉ Partner countries are particularly interested in learning more about how projects which are financed jointly by the ESF and the ERDF operate.

Inter-ministerial cooperation and Ministry of Education involvement

☞ Coordination between the different Ministries and other partners involved in the ESF is of the utmost importance. "*There is never enough co-ordination*". Coordination will become even more important as Agenda 2000 is implemented and there is greater emphasis on cross-fertilisation between the funds and on the challenge of adopting a more holistic approach to employment policies.

☞ Each partner country is free to chose its leading ESF institution. In most cases, the choice falls on the Ministry of Labour. However, all countries should also begin to ensure the participation of the Ministry of Education in all the processes involved. Finland, for instance, has underlined that ESF work has required much closer collaboration between the Ministries of Education and Labour. Strengthened inter-ministerial cooperation will be essential to the success of ESF operations in the partner countries. This refers, not only to Ministries of Education but also to other Ministries which will be at least partially involved in the ESF (Social Affairs, Welfare, Agriculture, Tourism etc).

✎ The choice of the leading ESF and the level of involvement of other Ministries differs from one Member State to another. In France, for example, the Ministry of Education plays no role in policy-making: all decisions are taken by the Ministry of Labour. In the UK, the Departments[2] for Education and for Labour have been merged so that education and training provision can respond better to labour market requirements. In many other cases across the EU, ESF implementation is the result of very close cooperation between the Ministries of Education and Labour with the active involvement of other sectoral Ministries.

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[2] In the UK and Ireland, the word *Department* means *Ministry* in this context.

💣 Coordination between different Ministries and stakeholders is very important but is very difficult to attain in some partner countries where communication among Ministries is often poor. Actions should be envisaged to promote better communication and common strategy setting.

☺ ✉ The Latvian visitors to the Netherlands requested that SPP-ESF funds be used to facilitate further contacts between the Dutch and Latvian Ministries of Education.

ESF operational mechanisms

☞ Forward-planning and the proper identification of national priorities is essential to good performance in terms of fund-usage ratios.

☞ It is important to establish adequate information systems and an efficient (and simple) data processing system for technical and financial monitoring. This is essential for both forward planning and programme evaluation.

☞ Ensuring good communication between the administrative and project levels is also important for efficient ESF management. This is the reason why many EU Member States are introducing electronic support and liaison systems. This is equally advisable for the partner countries.

☞ Developing good contacts with the relevant desk officers in the European Commission is considered crucial by partner countries. A cooperative approach is essential to understanding procedures and avoiding mistakes. Financial control and audit visits can be important learning experiences, if they are undertaken in a cooperative way.

☞ It is important to set up proper systems that can generate statistics and data in line with EU project management indicators. Good statistics are particularly important for the programming and evaluation of the Single Programme Document, Community Support Framework and Operational Programmes. However, the time required to establish a good statistical database is often underestimated.

☞ The provision of technical assistance and advice to ESF administrators as well as to project promoters is crucial.

✉ The establishment of simulated working groups for monitoring and steering committees etc. could be a good training exercise;

💣 The administrative procedures to be set up in order to manage new Phare funds from 2000 onward are very complex, particularly with the shift to a Structural Fund approach. Both partner and EU countries agreed on the need for greater simplification and flexibility.

💣 Some key ESF concepts such as decentralisation/de-concentration, additionality, subsidiarity etc. are still largely unfamiliar to partner countries.

💣 The co-financing principle implies that ESF funds are additional to national funds. Some countries have expressed concern about this as serious budgetary constraints could make it very difficult for them to provide matching funds in the future.

💻 Participants from Slovenia proposed that, for the purpose of evaluation, a common methodology could be developed combining financial and activity indicators.

☺ 💻 Institutions such as RACINE (France), FAS (Ireland) the IEFP (Portugal), the German Federal Ministry of Labour (BMA), AMS (Denmark) and AMS (Sweden) (to mention just a few examples) play a key role in the management, implementation and provision of technical as sistance in the ESF and the experience they have gained from this will be very useful for partner country administrations in the years to come. Indeed, a number of the partner countries involved in the visits have expressed a keen interest in continuing and deepening institutional links with their EU colleagues, with SPP support. This exchange of experience, which in many cases is ongoing, should enrich both EU and candidate country partners alike.

ESF financing and co-financing

☞ An efficient and comprehensive data base for monitoring the financial and physical aspects of the ESF is a fundamental tool, for both forward planning and programme evaluation.

☞ Forward planning and proper identification of national priorities is essential to good performance in terms of fund-usage ratios.

☞ In terms of co-financing, the number of stakeholders should be limited from the outset in order to ensure an adequate cash-flow and transparency in the system of allocation of funds.

☞ There is a need to set up a national financial mechanism to deal with the state budget contribution to the ESF.

☞ It is necessary to provide for a pre-financing mechanism from the state budget in order to deal with possible delays in payments.

💣 Co-financing for ESF remains a key concern in some countries. Latvia, for instance, will have to reconsider its priorities for co-financing given that employment and human resource development are not top priorities at present. A good monitoring system and training for this at the local level was requested by Latvia. Slovak Republic referred to the strains that ESF financing could impose on its national budget.

ESF financing: funding at central and local levels

✎ The Irish experience is very interesting when it comes to educational and training programmes. Ireland relies on both a top-down and a bottom-up approach. This means that those programmes that can be mainstreamed are conceived and developed mainly by the Department of Education and FÁS and delivered in a top-down manner. The delivery process is headed by the ESF National Authority and then propagated through the agencies (Department of Education and FÁS) down to the local beneficiaries. These programmes reach the majority of target groups, regardless of their geographical location, and are financed by the Human Resource Development Operational Programme. (Ireland has been considered as a single region in the programming period 1993-1999.) If these mainstreamed actions prove to be insufficient, it is up to partnerships and community work-groups at the local level to draw up specifically tailored programmes and submit them upward. The assistance in this case comes from Development of Disadvantaged Regions Sub-programme of the Local, Urban and Rural Development Operational Programme.

✎ The Spanish model could be said to be the opposite of this. The principle here is that everything that can be managed at local level is left to local and regional administrations. The national authorities under ESF will manage measures centrally only if local/regional authorities cannot be depended on to do so. Germany, on the other hand, uses the ESF to fund measures that are not covered by German legislation.

Decentralisation and regional development

☞ Regional development strategies are about how to get together different resources - financial and human - to achieve results.

☞ Decentralisation and centralisation should be well-balanced. The availability of reliable regional data is essential. Each partner country will have to find the best model to suit its particular situation.

☞ It is important to remember that commercial and educational institutions have an important role to play in regional development.

☞ There is a need to ensure proper coordination of regional policies (setting common criteria for various forms of support, demarcation of areas etc).

☞ It is necessary to ensure that there is synergy between the ERDF and the ESF.

✎ The management of part of the ESF funds can be delegated to regional or local agencies/authorities. Whether this is done, and how it is done, depends largely on the traditional regional/local organisation and the network of structures that exist in each country. In this regard, it is interesting to recall the conclusions of the Latvian visitors to the Netherlands and the UK. In the Netherlands, the Latvians were surprised by the high level of decentralisation and by the fact that the ESF was coordinated at national level by only two or three people. In the UK, by contrast, the ESF administration is highly centralised. Having examined the two extremes, the officials concluded that a high level of decentralisation is not possible in Latvia because the regions are not, as yet, well organised and will need strong support in managing ESF.

✎ On the other hand, the Polish visitors to Spain found it very useful to learn of the challenges and difficulties encountered by the Spanish administration in decentralising responsibility from central to regional bodies and of the effects these have had on setting up an ESF operational structure for the country. Larger partner countries, which are currently undergoing major administrative reform, can learn a lot from the earlier, and similar, experiences of larger EU countries such as Spain, Italy and Germany.

✎ Some countries (i.e. Hungary) have indicated that they require help to work out a policy on setting up both national and regional structures to implement the ESF. It is difficult, they say, to coordinate policies when the regional organisation has not yet been defined and responsibilities allocated accordingly. In this area, there is no European "solution" and each country will have to find the model that suits it best. The Portuguese experience could be seen as a case study in this regard. Contrary to the general trend towards "regionalisation" in Europe, the Portuguese voted against the regionalisation of their country in a referendum in November 1998 (although, for ESF purposes, Portugal has some administrative regional boundaries). In the case of Ireland, the country has been treated as a single region in the 1993-99 programming period. For smaller countries such as Slovenia or Latvia, the Portuguese or the Irish experience could be very useful.

💣 Decentralisation is a key issue for successful ESF implementation. Most partner countries still have a lot to do to prepare their regional and local administrations, both from a legislative and from a training viewpoint. The ESF/SPP local seminars should provide crucial, initial support for this purpose.

✉ Countries such as Poland and Hungary have asked for technical assistance to help them set up and implement territorial reform and to set out clear responsibilities among the various administrative levels.

☺ Several of the EU regions visited, such as North Karelia (Finland) or Andalusia (Spain), have reiterated their interest in establishing possible partnerships with a candidate country region.

Social Dialogue

☞ The social partners should be involved very actively in all ESF processes.

☞ Their involvement should be ensured through their participation in all ESF committees.

☞ Direct involvement of entrepreneurs in ESF processes is essential for employment creation.

☞ It is important to establish a balanced partnership that gives social partners sufficient scope for inputs without paralysing decision-making processes.

✎ Although the role played by social and economic actors differs considerably across the EU, there are many examples that illustrate the importance of social partnership involvement. All of them, in their various models of implementation, have confirmed that no modern, well-functioning labour market can survive independently of the social partners.

Human resource development as a national priority in preparing for the ESF

☞ There is a need to coordinate all human resources development measures implemented under the different sectoral and regional operational programmes.

☞ It is necessary to establish a proper framework for continuing education.

☞ It is equally necessary to encourage schools to play more active roles in adult training.

✎ Investing in the upgrading and development of educational and training systems has had very positive results in many EU countries. As a Hungarian official observed, nothing makes a country more interesting to investors than a well-trained work force. The examples in Objective 1 EU Member States illustrate this well. Irish investment in human resource development in recent decades has taken this country to the forefront of EU economic growth (and to the partial loss of its Objective 1 status). The reform of the Spanish education and training system has had a decisive impact on employment creation and economic development in a country which has the highest level of unemployment in the European Union.

💣 The importance of investing in human resources and in employment creation is not yet acknowledged in some partner countries. This concern was expressed by several partner countries officials and deserves further consideration.

💣 Some partner countries still need to develop a proper legal and institutional framework for continuing training.

The ESF and the labour market

☞ A solid analysis of the labour market is a prerequisite to drawing up a good employment strategy. Background studies can help national authorities in the partner countries to gather reliable data and to get a more independent picture of their labour market needs.

☞ There is a need to develop good labour market information (programming, monitoring and implementation).

☞ Labour market monitoring and training needs analysis should be carried out in the preparatory phase of programmes.

☞ The people who are responsible for developing and implementing national labour market policy should also be involved in the ESF Committees, so as to ensure the highest level of synergy between national and ESF interventions.

✎ The ESF means employment creation. Across the EU, there are many good examples of how a good labour market policy, matched with proper investment, can have excellent results in fighting and preventing unemployment. One example is provided by Sweden where four decades of very low unemployment levels were followed by a deep recession and a consequent sharp increase in unemployment. Between 1990 and 1994, unemployment rose to 9.8%. Long-term unemployment, which was lower in Sweden that in most other countries, also increased sharply. The Swedish government implemented a combination of active labour market and vocational education and training policies with the result that the situation improved greatly and unemployment fell to slightly more than 6%.

✉ Many delegations showed particular interest in receiving copies of ESF programmes and employment strategy documents, which would help them to draw up the national employment strategies which will be part of the Phare National Development Plans.

💻 partner countries propose that a general methodology for Phare operational programmes be established so as to ensure a balance between the four employment pillars and the five ESF policy fields.

Institution building: training requirements for partner countries administrations

☞ Structural Fund rules are complex. Clear objectives and priorities need to be defined by governments. Manuals and guidelines in national languages need to be produced. The availability of well-trained people at all levels of administration and implementation is of the utmost importance.

☞ It is important to provide adequate training for officials who will be responsible for the Structural Funds and the ESF funds at national, regional and local levels. Training

"European Programme Managers" in order to ensure better quality projects remains a priority for partner countries.

✎ The study visits served to underline the importance of having well-trained civil servants to implement the ESF. In the case of Finland, ministry officials are pleased with the integration training and the EU trainee programme, which was organised centrally by the Ministry of Foreign Affairs following accession. However, there was no specific course or module on the Structural Funds: learning about the Structural Funds was considered part of the integration process. Most officials confirmed that information and knowledge on the Structural Funds was acquired, mainly, through personal contacts with the European Commission (in 1994) and with civil servants from other Member States and through working meetings. Finnish Ministry officials advised their Bulgarian visitors to arrange for a Structural Fund/ESF training programme well in advance of accession. This was not possible in their own case due because of the tight time schedule of the Finnish accession process.

✎ Spain and Portugal had a similar message to give. Officials from these countries declared that partner countries should make good use of the training that they are receiving through Phare in the pre-accession period. One Spanish official described the process in Spain as "learning by doing and from mistakes".

✎ The experience of the Netherlands provides another interesting perspective. Latvian visiting officials were told that, at present, there was little current need to train civil servants in ESF matters as most of the staff working with ESF at national and regional levels have been there since the beginning of the programming period. The lesson they wanted to share was that "continuity is a source of knowledge" .

✎ In Denmark, on the other hand, the government is focusing on improving the quality of project proposals and ensuring more quality control during project implementation. For this reason, a project is being developed with ESF co-funding, which consists of a 6-week modular training programme for "European Programme Managers". These European programme managers would then be placed in the counties, ready to give advice and help to project promoters in the designing phase of the projects. This type of training programme could be of great interest to partner countries.

✉ With regard to the "Training Institution" component of the SPP/ESF, partner countries have requested a clear definition of the national training institution. They underlined the importance of equipping this institution with the necessary qualified staff to deal with the ESF and, if possible, of conducting a staff development programme.

☺ Representatives from Hungary visiting France expressed an interest in developing contacts with the French Ministry of Education in order to organise practical and focused placements of civil servants. The aim would be to develop better knowledge of the impact of the ESF on equal opportunities and 2nd chance school programmes. This could entail the preparation of an in-depth analysis of the functioning of the Ministry of Education at national and regional levels.

☺ Other proposals for cooperation among national administrations include: FAS training for partner country officials; links between the Portuguese INA and various partner countries; links between the Netherlands and Latvia etc. Many of the contacts made through the study visits have already prompted follow-up actions between the partner countries and their EU counterparts.

EU and ESF- type projects

☞ Partner countries have underlined the particular importance of establishing links between old and new programmes in order to provide continuity and to profit from the acquired know-how. This could mean, for example, linking the ESF preparatory activities with current and future Phare programme activities and linking ESF activities with other EU Community Programmes such as Socrates, Leonardo da Vinci, Youth for Europe etc.

☞ Partner countries should take time now to prepare future project players for proper project operation.

☞ The definition of equality opportunities should not be limited to gender but should include other groups who are marginal or at risk.

✎ The Finnish and Danish advice was to keep indicators simple and to pay more attention to quality when selecting projects. Links between ESF and national policies should be strong, although it would be helpful to have two separate lists of priorities, one for ESF and the other for national funding.

✎ Several EU Member States are heavily engaged in developing software to improve the flow of information between the different parties involved in the programme cycle, to train administrators and project promoters and to speed up administrative processes. Interesting materials have been developed particularly in the Netherlands, Denmark, Ireland, the UK etc. References to these materials are included in the national sections of this report.

✉ Partner countries consider that it would be useful to create a "common umbrella" organisation to coordinate the activities and funding of different EU programmes which have similar kind of objectives, i.e. the ESF, Leonardo, Socrates, Phare etc.

Information policy/ dissemination

☞ Publicity and information are very important: the ESF has to be visible.

☞ The importance of developing an adequate information strategy, particularly to disseminate ESF information to specific target-groups, should be emphasised.

☞ The Information Society remains among the topics of greatest interest.

✉ There were many documents distributed during the visits (National Action Plans, Terms of References, ESF publicity material, promoters guidelines etc.) and these were of great interest to the participants. However, the participants mentioned that the cost of dissemining information in their own languages is a serious problem for them. The cost of translating and printing 500 copies of a 300-page document and distributing it to a panel of national and regional actors involved in the ESF is, roughly, 15,000 Euro. Some delegations proposed using SPP money to translate good practice examples (ESF guides, manuals, project methodologies, legislation etc) into their own languages.

💻 Ministerial monthly bulletins for the mass media could be used to develop better contacts and to raise public awareness.

💻 Participation in labour market networks would be very useful. For instance, Slovak visitors to the EURES network in Sweden were convinced of the need to promote such networking in candidate countries.

A.1.5.3 *Action points and specific requests to the European Training Foundation and the European Commission*

- The European Training Foundation should continue the study visits to the EU for candidate country representatives.
- In planning future exchanges with various EU country administrations, the issue of financing interpretation will have to be considered in order to facilitate communication. The language difficulties experienced during the visits underline the need to promote language training courses for public officials in accession and EU countries alike.
- The focus of local SPP-ESF events should be the establishment of priorities and of selection criteria for projects.
- Ministries involved in the SPP expressed a lot of interest in progressing as quickly as possible.
- The partner countries would welcome the further development of the National Training Institution project and of future training actions for public civil servants on ESF issues by the European Training Foundation.
- The European Training Foundation should support training on the ESF with particular emphasis on case studies presented from different points of view (cf. the distance learning tool project on the ESF).
- The European Training Foundation is seen as a point of reference for assistance in the preparation of Phare 2000 and as a valid interlocutor with the EC.
- The European Training Foundation could play an active role in organising cooperation and partnerships with some of the relevant institutions and experts, particularly at the regional level. This would respond to the interest manifested by EU Member States in developing cooperation and exchanges with acceding countries.
- Networking remains a crucial issue. Several partner countries are interested in the role the European Training Foundation could have in developing contacts between EU and candidate countries, in order to exchange views on human resource development, employment strategies, possible solutions to common administrative problems in ESF implementation, best practice etc.
- The European Training Foundation can play an important role in improving links with National SPPs, which are to finance the preparation of the National Development Plans. The Foundation could develop a clear strategy for pooling EU resources and expertise on ESF management and implementation in order to develop a database aimed at supporting candidate countries' initiatives in organising training programmes and study visits.
- The European Training Foundation was asked to contact the managers of twinning programmes in all candidate countries with a view to preventing possible overlaps between actions and to envisage and plan cooperation measures.

A.2 Brussels SPP follow-up conference

A.2.1 Conference logistics

The Brussels conference was organised by the European Training Foundation framework contractor for conference organisation SAA (Scuola di Amministrazione Aziendale). The conference took place in the Borschette centre on 7-8 June and was followed by half-day bilateral meetings between partner country representatives and DG V task managers. These meetings were held at DG V.

A.2.2 Conference contents

The first day of the conference was given over to presentations on the latest developments in Structural Fund reform, the European Employment Strategy and the influence these have in shaping the Commission's pre-accession strategy. As with previous SPP events, the importance of existing EU ESF practice was underlined and, given the location of the conference, the focus this time was on the Belgian experience. During the second day of the conference, partner countries gave direct feedback on their state of preparedness for the introduction of ESF-type activities in the near future. Most delegations prepared a detailed report on the measures already undertaken and on the challenges that still remain (see below).

A.2.2.1 Conference conclusions

The following are the main conclusions derived from the presentations made by candidate countries during the conference.

Human Resource Development

- Human resource development is a key political issue for partner countries and will figure as a priority in the drafting of the National Development Plans.

Decentralisation/regionalisation and legal framework

- Decentralisation, regionalisation and territorial reform are at the centre of the current debate in many partner countries. There is no doubt that the setting up of various administrative levels, from state to local level, backed by a proper legal framework fixing the various levels of competencies (subsidiarity), is a prerequisite to the introduction of Structural Fund-type activities. However, the background and current situation is quite different in the ten acceding partner countries and each partner country will have to respond to its own culture and traditions to find the institutional solution which is right for it and compatible with the introduction of Structural Fund/ESF-type operations.

- Coordination between state and local levels and decentralisation (including territorial reform) are issues that are still unresolved for many countries and the degree of success in introducing reform varies from one country to another. In some cases, a draft law is under discussion in Parliament. Poland, one of the most advanced in this respect, has already enacted the reform, while countries of the size of Estonia or Slovenia question the effectiveness of breaking up into smaller administrative units and would rather be considered as single regions.
- As far as deciding which institutions will be responsible for the future implementation of the ESF is concerned, the choice has fallen on different bodies in the different countries examined. In Hungary, for instance, overall responsibility lies with the Ministry of Economy[3].
- Proper coordination between the national level and the smaller administrative units at local level will entail a huge effort (and additional cost), especially in those countries where decentralisation is still under discussion. In this regard, technical assistance from experienced EU experts has been requested by several partner countries.

Structural Fund management procedures and financing

- Although most partner countries have started to set up the institutional framework for financial procedures, monitoring, control and evaluation, there is a serious demand for technical assistance in setting up these structures.
- Partner countries are anxious to understand how best to combine EU funding with national funding (private/public), following the principle of additionality, and, in particular, how to advance funds from the national budget to pay for activities if transfers from EU funds are delayed. Partner countries were very concerned to learn during the study visits that payments from the EU to the national budgets are sometimes delayed and that national budgets must be prepared to deal with this.

Employment and training strategies

- The links between labour market policies and the activities of the implementing bodies (largely vocational education and training institutions) are still deficient in some partner countries. Vocational education and training, as part of the education and training system, must be able to react to labour market needs. There is general agreement, moreover, that, in future, vocational education and training will have an important role to play in developing active employment measures, including lifelong learning, and in creating structures for continuous vocational education and training.
- Needs in this area also vary greatly from country to country. In the Czech Republic, for instance, because of the low unemployment levels of recent years, what is required today is to retrain Employment Services' staff so that they can facilitate the move from passive to active employment measures.

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[3] This is an important issue which should be borne in mind when future SPP events are being planned. The SPP terms of reference were based on the assumption that certain ministries (Education and Labour) would be key ESF implementation bodies. Training activities were, therefore, targeted particularly at officials from these Ministries. However, some countries have chosen other ministries and training should be extended to these others as well.

New orientations - Phare 2000

- Partner countries are keen to know more about how new orientations in the ESF will combine with Phare guidelines and affect national programming.
- Preparation of the preliminary National Development Plans is well advanced in certain countries, whereas, in others, it is still at an early stage. Partner countries were pleased to have the opportunity to discuss such issues as the criteria for the selection of eligible regions, needs assessment and the strategy envisaged, during the bilateral meetings with the Commission desk officers.

A.2.2.2 Lessons learnt from Phase I SPP programme

- Partner countries were positive in their assessment of the planning and implementation of the first phase of the SPP programme. The programme is seen by partner countries as an excellent tool for supporting the institution-building process in the pre-accession period. The value added, so far, comes from the variety of experience participants accumulated during the study visits to EU Member States and the possibility they had of exchanging experiences with other partner countries undergoing a similar process. However, partner countries still express concerns about whether they will be ready to use the ESF when the time comes.

A.2.2.3 Proposals

- A good and comprehensive information system is a fundamental tool for ensuring efficient and effective programme implementation.
- Partner countries wish to have technical assistance on setting up sound financial and management systems to prepare for the introduction of the Structural Funds. In this respect, proposals to reinforce institution-building, in addition to the twinning arrangements with the EU, which have already been foreseen, included: facilitating the participation by partner countries as observers in EU-ESF monitoring committees and the organisation of study visits among partner countries to allow them to common experiences over the pre-accession period.
- Partner countries emphasised the need to disseminate further information on labour market management, particular on coordination at horizontal and vertical levels.
- Partner countries also proposed rationalising existing information on the ESF and making that information more easily accessible to the wide public of beneficiaries. Among the proposals made, special attention might be given to the preparation of a manual on financial procedure, combining Phare and ESF rules and a "Who's who guide to the ESF". Another proposal was the creation of a network/ internet discussion group on the ESF where partner countries could share their problems/experiences with other partner countries and EU Member States.
- Some partner countries need assistance in assessing the kind and level of training that is needed. Analyses of needs could be undertaken by the training institutions supported under the SPP programme. However in most countries, these institutions have just been identified and are not ready to fulfil this task. In this context, it should be noted that, in some partner countries, knowledge of the EU and its policies is very basic at local and regional levels and that training needs in these areas will be very high.
- Partner countries need to define the role of the social partners and develop ways to ensure their greater involvement. The involvement of the social partners and fostering the development of

civil society are areas where there is a lot of work to be done and where training will certainly be needed in the near future.

- Greater synergy between existing EU programmes is highly desireable as this would enable the best use to be made of the funds available to the partner countries.
- Partner countries were also concerned about the pressure the preparations for accession are putting on their administrations. They asked that the different EU bodies involved adopt a more coordinated approach. In many instances, programming requests by the different DGs are channelled to the same government office and are handled by a small number of civil servants. It was suggested that the European Training Foundation could assist in this process.

The Cypriot delegate, who was an observer at the conference, pointed out the high level of preparedness of its national administration and described the efforts undertaken to bring the vocational education and training system into line with labour market needs. Cyprus manifested a keen interest in sharing its experience with other candidate countries. It would be highly recommendable to include Cyprus in SPP-type programmes, even though this country receives no support from Phare.

A.2.3 Bilateral Meetings DG V- Candidate countries

After the conference, the ten partner country delegations were invited to DG V to meet country desk officers and respective Heads of Unit and to discuss problems, questions, ideas and the next steps in the preparatory phase directly with them. All delegations first met Ms. O. Quentin (Deputy Director General) who stressed the importance that DG V attaches to preparing the new partner countries to face up to the challenges of accession and to adopt the acquis comunautaire, particularly in the areas of the European employment and training strategies. Partner countries manifested their satisfaction at having a chance to meet up directly with their counterparts in Brussels.

SPECIAL PREPARATORY PROGRAMME FOR THE EUROPEAN SOCIAL FUND

FOLLOW-UP SEMINAR ON THE EUROPEAN SOCIAL FUND
Brussels, 7-9 June 1999

AGENDA

DAY 1 - Monday 7 June 1999 (Centre Borschette)

0900 **1. Welcome: Presentation of the seminar *(aims, proceedings).***

Chairman: Mr. Ulrich Hillenkamp. Deputy Director, the European Training Foundation.

Welcome address by: Mr. J. Lönnroth. Director, DGV.A. DG V and the enlargement strategy

0930 **2. Financial support to the candidate countries during the pre-accession period.**

Presentation: Mr. A. Rasbash. Deputy Head of Unit, DG1AB/1

Latest developments in the Regulations of financial instruments available (particularly PHARE); the pre-accession strategy reviewed - main lessons and recommendations (revised accession partnerships, National Plan for the Adoption of the Acquis, National Development Plans as basis for future PHARE allocations, the role of human resources development in the PHARE programmes, operating principles guiding PHARE/Structural Fund activities.

Questions and debate.

1030 Break

1100 **3. The Employment Strategy and the new Structural Fund Regulations.**

Presentation: Mr J. Lönnroth. Director, DGV/A

The Employment Strategy as part of the Community acquis (progress on the process as initiated and implemented by the services of the Commission; the issues, the problems and the experience; the EPR process and its relation to National Development Plans; the way forward).

Questions and debate

Presentation: Mr. D. Coyne. Head of Unit, DGV/A/4

Latest developments on the new Structural Funds/ESF regulations, further to the conclusions of last Berlin European Council (an outline of the major principles; the decentralised management concept; the policy fields and their relation to the European Employment Strategy; the operational principles; a vade-mecum)

Questions and debate

1300 Lunch

1430 **4. Presentation by the Belgian authorities (Flanders/Wallonia).**

Chairman: Mr. F. Harrington. Head of Unit, DGV/B/2

Presentation: Mr.B.Carmon (ESF-Communauté française)

Objective 1 programme in Hainaut - Belgium (Management of programming, implementation, monitoring & evaluation, problems encountered)

1530 Break

1600 **5. Toward the Development Plan of PHARE 2000 - The section on Human Resources. Some references to the most efficient ESF actions in the Member States.**

Presentation: Mrs. Pavan-Wollfe. Acting Director, DGV/C

Examples of "best practice".

1700 Questions and feedback on the first day.

DAY 2 - Tuesday 8 June 1999 (Centre Borschette)

0900 **6. Major lessons learned from the first phase of the ESF/SPP training programme.**

Chairmen: L. Vermelho. Advisor, DGV/B and Mr. V. Campanelli. Advisor, DGV/C.

Presentations by candidate country officials

(It is suggested that participants complement their presentations with a report (5-10 pages) on the administrative structure at central and local level for implementing ESF type activities and the partnership involved)

Organisation of two parallel sessions as follows:

	Group A	*Group B*
0930	**Slovenia**	**Romania**
1000	**Slovak Republic**	**Latvia**
1030	**Poland**	**Hungary**
1100	Break	
1130	**Lithuani**	**Estonia**
1200	**Bulgaria**	**Czech Republic**

1230 Discussion on points raised

1300 Lunch

1430 **7. Summary of CCs official presentations**

Chairman: L. Vermelho. Advisor, DGV/B

1430 Group A

1500 Group B

1530 Break

1600 **8. Follow-up on the first phase of the ESF/SPP training programme.**

Presentation by Mr Ulrich Hillenkamp. Deputy Director, the European Training Foundation.

Next phases of the training programme and the involvement of the candicate countries in their preparation. The instruments available: the "acquis" papers, the background studies for employment policy reviews, etc.

DAY 3 - Wednesday 9 June 1999 (DG V headquarters)

0900 **9. Meeting at the cafeteria.**

0915 **10. Briefing of all participants by Ms Quintin.**

Acting Deputy Director General, DGV.

0930 **11.Bilateral meetings with the country desk officers in the Commission.**

Bilateral meetings with the relevant desk officers in DG IA, V, XVI in the context of the SPP programmes:

Exchange of information on the first phase of the ESF/SPP and national SPPs;

Description of the next steps and co-ordination: suggestions on how to make best use of ESF/SPP local events (3rd phase); information on twinning agreements; links between the institution-building process of the national SPPs and the ESF/ESP; ways to feed in results of the background studies on employment policy reviews and the "acquis" papers with the national SPP actions in the context of the intermediate regional development plans proposed by DGI A. -

1200 **10. Closure of the seminar.**

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EVALUATION QUESTIONNAIRES SURVEY

SPP/ESF FOLLOW-UP SEMINAR ON THE EUROPEAN SOCIAL FUND

TOTAL NUMBER OF QUESTIONNAIRES: 21

I. Feedback on training sessions

Contacts with the European Commission

1. ***Do you have a clear understanding of the EU programmes that will support your country in the pre-accession period?***

YES 16 NO 4 NO ANSWER 1

Main comments/ issues for clarification:

NO COMMENTS: 9

- Phare 2000 principles and procedures still need to be clarified.
- The financing issue is still not clear. What is eligible under SAPARD and ISPA and what under Phare 2000? Is there any other field except institution-building in the framework of SAPARD and ISPA, which can be financed under Phare?
- The Human Resources Development component in the Phare programmes should be drafted with the help of appropriate technical assistance.
- It would also be important to have an ESF-type accession instrument, similar to ISPA and SAPARD.

2. ***Was the presentation on the European Employment Strategy and the new Structural Fund Regulations clear to you?***

YES 21 NO 0

Comments/ issues for clarification:

NO COMMENTS 13

- It would be helpful to have more EU materials.
- The presentation was clear, the framework was well outlined, the delivery was professional. However, it takes lot of time to digest all the information received.

It is clear that EES and Structural Fund activities need to be established in a coherent way

3. ***Was the presentation "Toward the Development Plan of PHARE 2000" clear to you?***

YES 15 **NO** 3 **NO ANSWER** 3

Main comments/ issues for clarification:

NO COMMENTS: 11

- The presentation of examples of good practice from EU Member State contributed to the clarification of the kind of development plans which should be submitted by candidate countries.
- More precise qnd concrete indications on the preparation of the vocational education and training/employment component in the Phare 2000 National Development Plan would have been helpful.
- Some questions still need to be clarified, e.g. the ESF-type activities in Phare 2000, the regional approach adopted and the size of projects eligible for financing.

4. ***Did you find the individual briefings organised with your respective task managers useful?***

YES 17 **NO** 0 **NO ANSWER** 4

Main comments/ issues for clarification:

NO COMMENTS: 11

- Detailed discussion on future SPP events and on the preparation of the National Development Plan was very much appreciated.
- Personal contact with the relevant desk officers in the Commission and the direct exchange of information were very useful.

5. ***Is there any topic on which you would like to receive more detailed information/training? If so, which one(s)?***

NO ANSWER: 9

- Interaction between employment and education policies and ESF-type (human resources development) activities in Phare 2000.
- The relationship between regional development and human resource development.
- How to develop a Plan for Phare 2000.
- Successful experiences on the use of the ESF in education.
- More detailed information on financial flows, evaluation and monitoring.

The Belgian ESF experience

6. ***Did you find the presentation on the Belgian ESF experience:***

■ useful	YES	15	NO	4	NO ANSWER	2
■ relevant to own national experience	YES	9	NO	7	NO ANSWER	5

Exchange of experiences with partner countries/ feedback study visits

7. ***Did you find this exchange of experiences with other Partner countries***

■ useful	YES	20	NO	0	NO ANSWER	1
■ relevant to your work	YES	20	NO	0	NO ANSWER	1

8. ***Study visits to various EU Member State***

■ *Have these visits been useful*	YES	17	NO ANSWER	4

Comments:

NO COMMENTS: 7

- In general, these visits were extremely useful and enabled the participants to get a lot of information, to compare organisation modules and to learn about policy issues and practical policy implementation.
- Contacts with the administrations which were vistied will, in most cases, be developed during the next phases of ESF/SPP.
- It was surprising to see how EU officials were keen to share information and experience.
- The materials distributed were of very good quality.

9. *Is there any EU national experience (s) that can be relevant to your country? Which one(s)?*

NO ANSWER: 7

- Ireland (6 people)
- Portugal (5 people)
- Greece (3 people)
- Sweden, Finland
- Germany
- The national experience of the Member States with an Objective 1 status.

10. *Suggestions for the future (possible extension of this initiative to other target groups/ length of study visits/ assistance by the European Training Foundation/EC etc.)*

NO ANSWER: 12

- Training in languages other than English (French. German).
- Continued European Training Foundation support.
- Practical exercises in the drafting of programmes and projects eligible for co-financing.
- Participation in Monitoring Committees in some EU Objective 1 regions.
- Short-term technical assistance actions.
- Tailored study visits for top management from employment/vocational training institutions and the Ministries of Social Affairs and Education.
- More detailed programming and project management on administrative and implementing procedures.
- Appropriate training for officials at regional and local level.
- Study visits and example of activities in EU Member States which recently became members, i.e Austria, Sweden and Finland.
- New information tools, such as an Internet SPP home page.

Next Steps of the SPP Horizontal Programme

11. *Are you sufficiently clear about the next steps of the SPP training programme?*

YES 15 **NO** 4 **NO ANSWER** 2

12. *Are you happy with the timetable for the implementation of the next steps of the programme?*

YES 6 **NO** 6 **NO ANSWER** 9

If not specify:

- Some countries wish to start national events as soon as possible while others are happy to postpone them after the summer break.
- September is not a good month for organising national events because of Phare 2000 programming requirements and other time-consuming activities for partner countries.
- The timing is rather unrealistic. Partner countries consider unlikely that all activities will be completed by the end of 1999.
- Some important issues are still unclear. In particular, financing for project drafting and selection during the local seminars on future implementation still have to be clarified.

13. *Have you already foreseen the dates/timing in which you would like to host a national event?*

NO ANSWER 12

- In general, discussions on the timing and content of the national events are still going on in most partner countries.

14. *Following your study visits, is there any EU expert that you think could support you in the preparation of the next SPP seminars? (please indicate name/country/institution)*

NO ANSWER 10

- Mr. English
- FAS Ireland
- EU programmes office Sweden
- Mr. M. Albino - DAFSE
- Mr. Perti Toivonen – Ministry of Labour, Finland
- Mrs. Maria Victoria de Yturriaga
- UCOFPL - Italy
- Inst. of Employment and Vocational training, Portugal
- Ms. F. Beaumelou, RACINE France (Slovenia)
- Netherlands Central Board of Unemployment Office (Latvia)

15. *Do you wish to make any other suggestions regarding the planning of the various seminars? (themes, structure, participants etc.)*

NO ANSWER 15

- The selection of the EU experts should be the responsibility of the contractor. The selection procedure (tender) for the contractor should be organised as soon as possible.
- In order to shift the emphasis from theoretical information to more practical discussion on ESF procedures in partner countries, it would be advisable to postpone the events to the end of 1999/beginning of 2000. In most partner countries, administrative, financial and procedural issues still have to be clearly outlined.
- ESF training at regional and local level should be further strengthened. It should be focused particularly on drafting the regional components of the National Development Plans.

II. *GENERAL MEETING EVALUATION*

1. *Did you think the length of the seminar was:*

a. Just right	19
b. Too long	1
c. Too short	1

2. *Did this seminar meet with your expectations:*

a. exceeded expectations	0
b. equalled expectations	21
c. did not meet expectations	0

If not please give reasons

- Little time for the exchange of experience during the working sessions (except for the presentations of partner country reports). However, this was balanced by informal discussion during the dinner.

3. *Was the information presented at the appropriate level for you?*

YES	21	**NO**	0

4. *Were the materials distributed appropriate?*

YES	21	**NO ANSWER**	0

Possible suggestions for materials to be distributed in coming SPP meetings

No suggestions 12

- Cross country studies and background studies on employment.
- A set of documents on the Structural Funds and the ESF in particular.
- Materials should be distributed before the presentation.
- National development plans, employment action plans, national strategies for human resources development.
- The new Structural Fund regulations, examples of National Development Plans, ESF, Single Programme Documents, Operational Programmes (on human resource development and employment).

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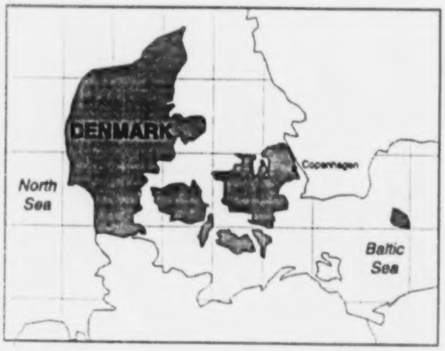
PART B
SELECTED TEXTS

B.1
Reports on study visits to the European Union



B.1.1. DENMARK

Copenhagen- West Zealand County
24-28 May 1999

European Training Foundation organiser: *Henrik Faudel*

STUDY VISIT TO DENMARK

1 Background to the study visit

The agenda for the study visit was decided on the basis of preliminary discussions with the Ministry of Labour and, in particular, the Labour Market Authority (AMS) which is the main actor in the administration of the ESF in Denmark. Ms. Susan Bjerre Brinck from the AMS was of great help in organising the study visit.

2 Participants

The following civil servants participated in the study visit to Denmark:

Slovenia

- Ms. Sabina Melavc, Ministry of Education and Sport
- Ms. Vanja Hazl, Ministry of Labour, Family and Social Affairs
- Mr. Robert Drobnic, Ministry of Labour, Family and Social Affairs

Lithuania

- Ms. Grazina Kisuniene, Director Phare VET PMU, Ministry of Education and Science
- Mr. Evaldas Bacevicius, Department of European Integration, Ministry of Social Security and Labour
- Mr. Tomas Jovaisa, Lithuanian Labour Market Training Authority

European Training Foundation

- Mr. Henrik Faudel, Programme Manager for Lithuania/ Distance Education
- Contact person with Danish national authorities
- Ms. Martha Tirelli, Programme Manager for Poland and Estonia

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3 *Summary of the study visit: ESF operational mechanisms in Denmark*

In Denmark, funding is channelled along the lines of Structural Fund Objectives 2, 3, 4 and 5b. Objectives 3 and 4 are funded exclusively by the ESF and apply throughout Denmark, whilst Objectives 2 and 5b are financed by the ESF together with the other Structural Funds and are relevant only for certain regions.

ESF Financing by Objective in Denmark	
Objective 2	3.6%
Objective 3	69.2%
Objective 4	10.0%
Objective 5b	2.8%
Community Initiatives	14.3%

All ESF assistance in Denmark is routed through the Ministry of Labour which is responsible for coordinating the horizontal Objectives 3 and 4, as well as Community Initiatives such as Adapt and Employment. Collaboration with the Ministry of Education and the Ministry of Social Affairs is ensured through the active participation of these ministries in the Monitoring Committee.

Day 1

The first day was spent in the Labour Market Authority (AMS) which is the body responsible for the administration and management of Objective 3. AMS gave a global picture of the European Social Fund, its legal basis, administration and implementation. Ninety per cent of the funds are allocated to the counties (15) for the implementation of projects, which are derived from a regional social fund plan based on the labour market needs. Ten per cent of the funds are kept as a reserve at the central level in order to address issues, which may be relevant to more than one region. The European Social Fund requires 50% of co-financing. In Denmark, part of the co-financing is covered by salaries (Objective 4) and unemployment benefit (Objective 3).

The European Social Fund in Denmark is regulated by a law, which designates all the actors involved and defines all rights and responsibilities. Nearly 70% of the ESF contribution to Denmark goes on Objective 3 priorities, which apply country wide. The three main priorities are: vocational training for the long-term unemployed and people at risk of unemployment; vocational training of young people to facilitate integration into work; and vocational training for those at risk of exclusion from the labour market. Emphasis is placed on measures which lead to qualifications that make participants more competitive on the open labour market. These often take the form of long-term training initiatives that are adapted both to current labour market requirements and the specific needs of participants. Measures under Objective 3 include: counselling and guidance; targeted training courses for specific groups; and projects combining training and on-the-job training. Denmark has a very low rate of unemployment, 6%. Most of this 6% is composed of socially excluded groups i.e. single mothers with children, alcoholics, drug addicts and the long-term unemployed. Most of the projects tend to target these groups.

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Throughout all the phases of the ESF administration and implementation, from the central level to the local level, from the Single Programming Document to the selection of the projects, all decisions are taken by committees whose members always include employers' and employees' representatives.

Participants were shown how Objective 5b (multi-fund) projects and Community Initiatives, such as Employment, are managed and administered.

Because of the heavy administrative load involved in the management of the European Social Fund, the AMS decided to develop software which would ease the work of both administrators and project managers. The software, OPUS, allows the whole selection process, from the application to the selection of the project, to be handled electronically. It also allows for quarterly electronic reporting by the project managers. Although the system is still very much in the initial stages of development, it should be fully operational very soon.

It is the opinion of the Danish government that there is a need to improve the quality of project proposals and to have more quality control during the implementation period. In order to achieve this, a 6-week modular training programme for "European Programme Managers", co-funded by the ESF, has been developed. These European programme managers will then be placed in the counties ready to give advice and help to the project promoters in the designing phase of the projects.

Day 2

The second day focused on the administration and management of Objective 4, which is handled by the Danish Centre for International Programmes (ACIU). The ACIU is an institution of 18 employees which manages Community Initiatives such as Adapt, Youthstart as well as the Leonardo programme. The ACIU is supervised and directed by a board of directors which is made up of representatives of the social partners, from the Ministry of Labour and the Ministry of Education plus representatives from 12 labour market organisations. The board of directors is chaired by a representative of either the employers' or the employees'.

The visit was very interesting and practical. The team took us through the whole management and implementation process and showed the participants concrete examples of projects.

It was made clear that *information* has a major role to play. The information strategy developed by ACIU is very appropriate and covers all aspects of their work: meetings on specific themes and on application rounds as well as booklets, newspaper advertisements, newsletters, information conferences etc.

Day 3

Day 3 was spent in the county of West Zealand so as to give participants an overview of the role of the counties in the management of ESF.

The allocation of funds to a particular county is based on the rate of unemployment. In line with the national priorities, the Regional Social Fund Committee identifies its regional priorities and prepares an annual Social Fund Plan. A working group, comprising two representatives from the municipality, one representative from the employment office and one municipal director and chaired by the ESF regional coordinator, discusses the projects and makes final recommendations to the Regional Social Fund Committee.

The Regional Social Fund Committee is political in nature and is composed of ten members: five from the public employment service council (two employers' representatives, two employees' representatives and one manager); three from the municipalities; and two from the county council.

The ESF regional coordinator is the secretary of this committee. It came as quite a surprise to participants to realise that the Regional ESF coordinator alone manages all the ESF projects, which amount to 1.75 million Euro, in the region. There is, as a result, a lot of focus on financial monitoring.

It was very useful for the participants to meet the project manager on the project site and discuss all the issues related to project implementation.

Day 4

During the last day, the information strategy, the control system, links with the Ministry of Social Affairs and the future of the ESF were presented and analysed.

Great emphasis was put on the importance of having a very effective information strategy. Brochures, the Internet, announcements on newspapers, radio and TV are the basic elements for reaching the audience in a simple and direct way. There is no uniform strategy which is applied throughout the country. Each management level develops its own information strategy.

From the point of view of control and through the OPUS system, AMS would like to achieve a more transparent administrative system, which would allow more focus on quality and value for money. A protocol agreement signed between DG XX and AMS defines responsibilities and information flows. The agreement foresees that AMS must control at least 5% of all the ESF projects. It must inform OLAF (Office Lutte Antifraud) about all irregularities. (Since early 1998, AMS has reported 11 cases, of which two were police cases.) It must report annually to DG XX and give guidance to project managers on financial irregularities/frauds.

During the meeting with the Head of the ESF mission and a representative from the Ministry of Social Affairs, concrete examples of projects from the HORIZON and INTEGRA programmes, which the ministry of social affairs manages and administers, were presented.

The payment system from the EC will change in the new programming period. The Member States will receive 7% of their overall allocation for the entire period; additional funds can be requested only when at least 4% of the initial allocation has been spent.

Participants were advised to organise their administration for future implementation of ESF in a single dimension system, by setting up a direct line of responsibility running from one minister to the very local level.

4 *Conclusions/ recommendations*

The objectives of the visit were met, thanks to the openness of the national and regional actors and their willingness to demonstrate how the ESF administration works. Enough time was reserved for the exchange of experience and for discussions.

5 *Overall assessment and lessons learned by the participants*

The study tour participants were particularly impressed with the following features:

- the leading role played by the Ministry of Labour, albeit in close cooperation with the Ministries of Social Affairs and of Education;
- the presence of the social partners in all committees;
- the establishment of a legal basis for the implementation and management of ESF, including the definition of roles and the allocation of responsibilities;

- the training course "European Programme Managers", which is designed to improve the quality of projects;
- multi-fund projects; and
- the emphasis placed on information strategies.

6 *Contact details of ESF-related institutions visited in Denmark*

Institution	Contact persons	Address/Tel/Fax/ e-mail	Areas of responsibility
Ministry of Labour	Hans Christian Laurberg, Head of the ESF mission	Holmens Kanal 20 DK 1060 Copenhagen K Tel: +45 33 925972 Fax: + 45 33 153568	Contact person with DG V - political role
Ministry of Social Affairs	Peter Sanderhoff		HORIZON, INTEGRA
Labour Market Authority (AMS)	Mr. Morten Fenger Head of the AMS Social Fund Department	56, Blegdamsvej P.O. Box 2722 DK2100 Copenhagen 0 Tel: +45 35 288526 Fax: +45 33 147176	Administration of the ESF - Objectives 3, 2 and 5b
The Danish Centre for International Training Programmes	Benny Dylander Direct ACIU	Hesselogade 16 DK-2100 Copenhagen 0 Tel: +45 3927 1922 Fax: + 45 3927 2217 e-mail: aciu@aciu.dk	Administration of the ESF Objective 4 - ADAPT - YOUTHSTART - ATTAK
The Regional ESF Committee	Mr. Jan Blom County of West Zealand	West Zealand Business Development Centre Alleen 15 4180 Soro Tel: +45 57 872533	Regional ESF Coordinator

7 *Selected ESF documents on Denmark available in the European Training Foundation*

- International – The Danish Way
- Educational and Training at Vocational Colleges in Denmark
- Documents and Reports in Danish on ESF programmes and Community Initiatives

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Norwegian Sea
Gulf of Bothnia
Lake Ladoga
Gulf of Finland

B.1.2 FINLAND

Helsinki- North Karelia
16-24 April 1999

European Training Foundation organiser: *Hanna Autere*

STUDY VISIT TO FINLAND

1 Background to the study visit

The agenda for the study visit was decided on the basis of preliminary discussions with the Ministries of Labour and of Education, who are the main actors in the administration of the ESF in Finland, as well as with one of the Regional Councils (Uusimaa). Ms. Sointu Häkkinen from the Ministry of Labour and Ms. Merja Niemi from the Ministry of Education and Science were extremely helpful to the organisers of the study visit.

2 Participants

The following civil servants participated in the study visit to Finland:

Bulgaria

- Ms. Magdalena Ivanova, Ministry of Education and Science
- Mr. Dimitre Matev, Ministry of Labour and Social Policy
- Mr. Michail Bachvarov, Ministry of Labour and Social Policy

European Training Foundation

- Ms. Hanna Autere, Programme Manager for Latvia at the European Training Foundation. Contact person with Finnish national authorities.

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3 *Summary of the study visit: ESF operational mechanisms in Finland*

Finland qualifies for Structural Fund aid under the EU-wide Objectives 3 and 4 and the regional Objectives 2, 5b and 6. Over the period 1995-1999, Finland has received Structural Fund assistance of a total of 1.5 billion Euros. The ESF contribution is 525 million Euros, about 33.8 %, of total aid. Community Initiatives also make a significant contribution to Finland. This amounts to 151.5 million Euro, of which the ESF component is 78.5 million Euros.

When Finland joined the EU on 1 January 1995, the Government decided to organise the administration so that ESF and national labour policies were integrated. As a result, all ESF assistance in Finland is routed through the Ministry of Labour which is responsible for coordinating the horizontal Objectives 3 and 4, as well as the Community Initiatives, Adapt and Employment. The Ministry of the Interior coordinates ESF actions under the regional programmes and the Ministries of Trade and Industry and of Education also have a role in their implementation.

The Ministries of Labour and Education organised a series of meetings during the first two and half days of the study visit to introduce the Finnish and ESF vertical and horizontal administrative structures. These meetings were followed by a visit to an Objective 6 region, North Karelia. The Ministry of Labour had also suggested that the group visit Jyväskylä (in the region of Western Finland) because this region runs all the ESF programmes in Finland. However, it was not possible to have two visits because of the distances involved and North Karelia was selected for the site visit.

A visit to an Objective 6 region was of interest to the candidate country representatives because Objective 6 areas have the same kind of problems as the new Objective 1 regions. For example, the economy is dependent on declining forestry, agriculture and public sectors and on an unbalanced industrial sector which concentrates on a few major traditional industries and a small number of SMEs. Career opportunities are very limited and many people move away to find work, leaving an ageing population which is vulnerable to long-term unemployment. Unemployment in the Karelia region is the highest in Finland (24% in 1994) This has exacerbated the regions' problems by causing migration among the young, especially those with education. Provision has also been made for Objective 3 and 4-type measures to provide training and counselling for the unemployed and for people at risk of redundancy. The Objective 6 regions of Finland will qualify as Objective 1 regions during the next programming period.

During the visit to Joensuu, North Karelia, the programme was coordinated by the Regional Council of North Karelia. Joint meetings with the representatives of the Employment and Economic Development (EED) Centre and the Provincial Government were organised.

The EED Centre of North Karelia is one of 15 new employment centres in Finland. These centres are part of the Finnish labour administration and each one has departments for rural, business and employment services. They act as ESF coordinators with responsibility for:

- the dissemination of information of programmes and application procedures;
- the selection of projects;
- financial decisions;
- the acquisition of labour market training;
- the allocation of funds to employment offices;
- the monitoring and control of projects; and
- payments.

The Ministry of Labour steers the ESF work by providing guidelines and distributes funds annually to the Centres. The Centres take decisions about ESF projects in labour administration for all Objectives other than Regional Objectives for which the Regional Councils are responsible.

At the start of the current programming period, the Ministry of Education had a centralised administration as far as ESF is concerned. Since the beginning of 1998, 38 people from the education sections of the Provincial Governments have been working for the regional Objective programmes by participating in the Regional Council meetings where regional ESF projects are selected. The possibility of bringing all the regional ESF administration, including the education and training sector, together into the EED centres has been discussed, but there has not been the political will to proceed with this. It appears that cooperation at the regional level has been very good, but the regional actors claimed that the procedures are confusing because there are different decision-makers at various levels of Structural Fund administration and for different sectors.

4 *Conclusions/ recommendations*

- The objectives of the visit were met. This was due, on the one hand, to the active participation of the Bulgarian delegation but also to the openness of the national and regional actors in their presentation of the ESF administration and the challenges they had faced in the very recent integration process. As the group was small, it was possible to have an interactive informal approach. Enough time had been reserved for the exchange of experience and for discussions.
- Briefing of the host organisation is very important, particularly in this case, as this was the last study visit of the delegation and the group was quite knowledgeable about the Structural Funds in general and could, at this point of the training programme, ask targeted questions. There was no need for a general introduction to the Structural Funds or the ESF and no such introduction was given.
- The timing of the visits was not, perhaps, the best, for various reasons: the Ministry of Labour staff had to participate in extra Monitoring Committee meetings for Objectives 3 and 4; the government had recently changed; the ESF teams were preparing the next programming period; and all the Ministry staff was involved in preparing for the first Finnish presidency in the second half of 1999. Nevertheless, it was possible to meet with all the key Structural Fund players.
- The Ministers suggested that the focus of the SPP-ESF local events might be on establishing priorities and selection criteria for projects.
- On the last day, the issues of staffing needs, qualifications and training for ESF staff were addressed. It appears that the Finnish Ministry officials have been pleased with the integration training and the EU trainee programme, which was organised centrally by the Ministry of Foreign Affairs. There was no specific training on the Structural Funds: this was part of the general training for integration. Information on and knowledge about the Structural Funds was acquired, mainly, through personal contacts with the EC (in 1994) and Member State civil servants and through working meetings. Finnish ministry officials suggested that candidate countries should organise a Structural Fund/ESF training programme. This was not possible in their own case because of the tight time schedule of the Finnish EU integration process.
- The Ministries of Education and of Labour both agreed that Structural Fund work has required much closer collaboration than the ministries had had before EU membership. Inter-ministerial cooperation had improved somewhat since accession but there is still room for greater collaboration.
- The Ministries advised partner countries to keep indicators simple and to pay more attention to quality when they were selecting projects. Links between ESF and national policies should be

strong, though it would be helpful to have two lists of priorities, one for ESF and the other for national funding.

- An additional meeting was organised between Ms. Ivanova and the management of the National Board of Education. Ms. Ivanova was interested, in particular, in the Finnish experience in Leonardo and Socrates programmes for which the Board is responsible in Finland. Both the Finnish and Bulgarian actors agreed that it is important to create a structure which would allow the activities and funding of EU programmes that have similar objectives, the ESF, Leonardo, Socrates, Phare etc. to be coordinated.
- The region of North Karelia represents an interesting region for further partnership with a candidate country region. The local actors are very interested in international collaboration.

5 *Overall assessment and lessons learned by the participants*

The following comments on their first impressions were made by the study tour participants during an informal wrap-up session.

- It is essential to have close collaboration between Ministries of Education and of Labour.
- It is important to have well-functioning regional structures for Structural Funds administration.
- A balance should be maintained between decentralisation and centralisation.
- All EU programmes, Socrates, Leonardo, Structural Funds, Community Initiatives etc., should be placed under one "umbrella" organisation which would coordinate the activities and funding of programmes that have more or less the same objectives.
- A lot of useful documentation was received.
- The establishment of working groups that simulate monitoring and steering committees etc. is a good idea.
- It is important to have adequate and accurate regional data.
- The development of operational structures and programmes needs to start now.
- The use of an efficient data-processing system is important for technical and financial monitoring. All partners should be connected to networks on the Internet.
- Additionality is a requirement of EU funding.
- Ministerial monthly bulletins for the mass media could be used to develop better contacts and to raise awareness.
- ESF measures must be targeted.
- It is possible to have jointly-financed ESF and ERDF projects.
- The Information Society remains an area of intense interest.
- ESF administration imposes an additional heavy workload on national and regional administrations.
- Training of officials is important.

6 Contact details of ESF-related institutions visited in Finland

Institution	Contact persons	Address/Tel/Fax/e-mail
Ministry of Labour	Mr. Pertti Toivonen/ Ms. Ulla Jatila	Mikonkatu 4 PL 524, 00101 Helsinki Tel: +358 9 1856 9048 (Jatila) GSM: +358 40 579 0469 Fax: +358 9 1856 9220
Ministry of Education, Structural Funds Unit	Mr. Juha Mäntyvaara/ Ms. Merja Niemi	Meritullinkatu 3 D, P.O. Box 293 FIN-00171 Helsinki, Finland Tel: +358 40 1341 7250 (Niemi) Fax: +358 9 656649 e-mail: juha.mantyvaara@minedu.fi
Regional Council of North Karelia	Mr. Jarmo Kauppinen	Siltakatu 18, FIN-80100 Joensuu, Finland Tel: +358 13 259 110 Fax: +358 13 259 1130
Employment and Economic Centre of North Karelia	Ms. Ulla Mauranen	Labour Market department Kauppakatu 40 B, P.O. Box 8, 80101 Joensuu, Finland Tel: +358 13 246 4620 GSM: +358 50 597 4310 Fax: +358 13 246 4646 e-mail: ulla.mauranen@pt5.tempo.mol.fi

7 Selected ESF documents on Finland available in the European Training Foundation

- Finland, Single Programming Document 1995-99, Objective 3
- Finland, Single Programming Document 1995-99, Objective 4
- Finland, Single Programming Document 1995-99, Objective 6
- Employment Action Plan, Finland, Ministry of Labour Finland, Publication of the Labour Administration, Helsinki 1998
- The Finnish Labour Legislation, Ministry of Labour, 1998, Finland
- Objective 3 Programme Project Descriptions, Ministry of Labour
- Objective 4 Programme Project Descriptions, Ministry of Labour
- ESF Application Guide for Project Planners, Objective 4 Programme, Workforce for Small and Medium-sized Enterprises (SMEs)

- ESF North Karelian Labour Pool, Joensuu, Kitee, Outokumpu, Lieksa, Nurmes
- Regional State Administration in Finland
- 6 + 6, Working Time, ESF project brochure, Ministry of Labour, Finland
- Finnfacts, Confederation of Finnish Industry and Employers, February-March, 1999
- Regional Development in Finland, Ministry of the Interior, Finland, Department for Regional Development
- Employment bulletin of the Finnish Ministry of Labour, February 1999
- Local Initiatives and the Objectives of Active Labour Market Policy
- Finland's Regional Councils Work to Promote the Prosperity of Their Regions
- Eastern Finland, Development Strategy for Objective N°1, Part 1. Draft 18.1.1999, Regional council of Pohjois-Savo, Regional council of Pohjois-Karjala, Regional Council of Kainuu, Regional Council of Etelä-Savo
- Education & Research 2000, Development Plan for Education and University Research for 1995-2000, Ministry of Education, Finland
- Employment/Adapt, Mid-term Evaluation for the Programme Period 1995-1999, ESF Publications, 33/98
- Eligible expenditure under the Structural Funds, Factsheets, European Commission, 1997
- Anticipating Working Life, the Labour Market and Vocational Requirements in Finland, Objective 4 Programme, www.mol.fi/esf/ennakointi/english/htm

ANNEX

European Training Foundation

Special Preparatory Programme for the European Social Fund (SPP-ESF)
Study visit by the Bulgarian delegation to Finland,
19 - 23 April 1999
to observe:
"How Finland manages the ESF"

Monday 19 April

Venue: *Ministry of Labour, Eteläesplanadi 4, Helsinki*

09.00-10.30	**Overview of the Finnish economy and employment, Mr. Pekka Peltola** **Executive Department**
10.30-12.00	**Introduction to the European Structural Funds and National Action Plans, the Finnish point of view, Ms. Ulla Jatila, Policy Department**
12.00-13.30	**Lunch**
13.30-15.00	**National employment programmes and objectives, Mr. Jussi Toppila,** **Policy Department**

Tuesday 20 April

Venue: *Ministry of Education, Meritullinkatu 10/Pohjoisranta 4 A*
9 (303), Helsinki

9.00-10.00	Overview of the education system of Finland, Mr. Jorma Ahola
10.00-11.30	Development priorities in education and culture at the Ministry of Education, Mr. Vilho Hirvi
12.00-13.00	Development priorities in education and culture within the Objective 1 programme, Mr. Juhani Dammert
13.00-14.30	Lunch
14.30-15.00	Results and outcomes of the projects financed by the Structural Funds Objective 6 programme (similar to Objective 1 Programme) in the field of education and culture, Ms. Merja Niemi
15.00-16.00	Introduction to the Structural Funds within the Ministry of Education Ms. Pirkko Liisi Kuhmonen

Wednesday 21 April

Venue: ***Ministry of Labour, Eteläesplanadi 4, Helsinki***

9.00-11.00	European Social Fund - principles, operational mechanisms and future directions, Mr. Pertti Toivonen, Policy Department
11.00-12.30	Principles underlying the current round of ESF funding, Ms. Riitta Kangasharju, Executive Department

Thursday 22 April

Venue: ***Regional Council, Torikatu 9***

09.00-11.00	■ Regional Council: Overview of the Structural Fund activities in the region - implementation, administration, projects etc. ■ Objective 6 regional working group ■ Regional Employment and Economic Development Centre: presentation of ESF employment projects ■ Provincial Government: presentation of ESF education and training projects
11.00-12.00	Lunch
12.00-15.30	Site visits to two ESF-funded Objective 6 projects: ■ Plastic and Metal Centre of Eastern Finland (Itä-Suomen muovi- ja metallikeskus -hanke) ■ Employment pool (Työpooli)

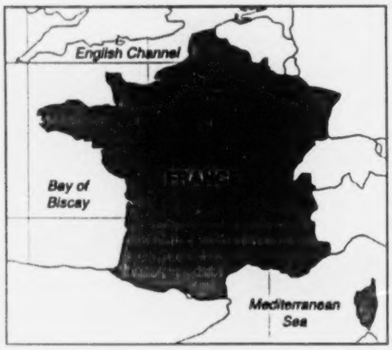
Friday 23 April

Venue: ***Ministry of Labour, Mikonkatu 4***

9.00-12.00	Representatives of the ESF team, Ministry of Labour: ■ Monitoring, financial control and evaluation of ESF funding ■ Problems related to implementation
12.00-13.30	Lunch
13.30-15.00	Final meeting between Finnish officials (Ministries of Labour and Education) and Bulgarian delegation ■ Final questions from Bulgarian to Finnish officials ■ Bulgarian observations on Finnish ESF arrangements ■ Final Finnish recommendations to Bulgaria on ESF preparations - practical "tips", ministerial staffing needs, ministerial information technology needs, administrative procedures, financial control and reporting, structures for the management of implementing agencies, etc.

Venue: ***National Board of Education, Hakaniemenkatu 2***

15.30-17.30	European Training Foundation/Bulgarian delegation meeting to prepare for Next steps in SPP-ESF A half-day session to enable the Bulgarian delegation to prepare, with European Training Foundation assistance, the presentation to be given in the next phase of the SPP-ESF project on how they can apply in Bulgaria the lessons learned during the study visit.



B.1.3 FRANCE

Paris- Nord Pas de Calais
12-16 April 1999

European Training Foundation organiser: *Gérard Mayen*

STUDY VISIT TO FRANCE

1 *Background to the study visit*

The study visit was very well targeted and organised by RACINE (Technical Assistance Office in France) and particularly by Ms. Fabienne Beaumelou who assisted the participants from the first to the final minute. The visit concentrated, mainly, on national and regional visits to relevant bodies dealing with ESF matters.

2 *Participants*

The following civil servants participated in the study visit:

Hungary

- Ms. Toth, Ministry of Education, Hungary
- Mr. Forgacsz, Ministry of Education, Hungary
- Ms. Bencze, Ministry of Family and Social Affairs, Hungary

Czech Republic

Four participants from the National Training Fund (the Czech Republic), including Ms. Kopicova (Director of the Fund), also joined the visit during the first three days and financed their participation from their own budget.

European Training Foundation

- Mr. Gérard Mayen (France), SPP Project Manager. Contact person with French national authorities.

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3 *Summary of study visit*

Institution	Topics presented	Key items	Key speakers
RACINE	Economic and Socio-political context National administrative structure European Initiatives (ADAPT etc.) Priorities and National Action Plan Projects - from drafting to implementation Monitoring and evaluation National Technical Assistance	Presentation of RACINE Overview of the French vocational education and training system and Labour Market situation Presentation of the enterprise contribution system for vocational training Commission controlling system Role of technical assistance in France Implementation of the single framework In-depth analysis of Objective 4 Information and dissemination policy	Ms. Fabienne Beaumelou Mr. Claude Bapst
Ministère de l'Emploi et de la Solidarité, **Département FSE**	ESF principles and operational mechanisms Financial monitoring	Overall presentation of the organisation of the ESF department Objectives 3 and 4: Presentation of terms of reference and examples of impiementation Problems faced: In-depth analysis of financial procedures	Ms. Louisette Caley Mr. L. Raubenas Ms. M.P Delecluse Ms. A.M Dupuis
Conseil Régional Nord Pas de Calais	ESF funding at regional level: Problems and solutions Regional priorities and developments Regional Action Plan	Presentation of the regional situation in Europe Organisation of the ESF at regional level Conditions for applying for ESF support Resources needed to implement the ESF Co-financing aspects	Mr. Joel Hébrard Ms. Cosima Dubray
Direction Régionale du Travail de l'Emploi et de la Formation Professionnelle (DRTEFP)	Regional Action Plan Auditing procedures	Elaboration of the regional single framework Management of the ESF at regional level Control and auditing procedures	Mr. S. Pouilly Mr. G. Dufflot

Institution	Topics presented	Key items	Key speakers
Direction Académique de la Formation Continue (DAFCO)	The national vocational education and training system, the role of the Ministry of Education Thematic issues	State-region contracts De-concentration and decentralisation aspects Figures Presentation of a case study: "All chance school"	Mr. M. Hauw Ms. G. Schoonheere Mr. A. Demets Mr. T. Desplancke
ACTIF (local promoter)	Regional development (linkages, actors) ESF priorities at local level Operational mechanisms Practical examples	Role of a promoter in an Objective 1 area Relationship with the administration Difficulties encountered	Mr. D. Matteoti

4 *Main conclusions/ recommendations*

Conclusions

- All mission objectives were met. All the recommended topics, and all those the participants particularly wanted to discuss, were addressed.
- The visit to Nord-Pas de Calais (an Objective 1 region) provided very useful information and gave participants the opportunity to analyse the complexity of ESF management, including differences in the organisational culture of the various stakeholders (the national and regional culture of the administrative bodies versus the private sector culture of the promoters).
- In general, speakers adapted their presentations to the targeted group, i.e. the participants. An effort was made to make presentations in English. An emphasis on practical experiences rather than theoretical speeches gave this study visit an active orientation and made it very interesting to the participants.
- The study visit contributed positively to raising the participants' awareness of the management and implementation of the ESF at both national and regional levels. It gave them the opportunity to develop some new proposals (on the procedure for drafting the Integrated Regional Development Plan, financial issues, development of financial auditing etc.) to put to their government with a view to improving existing structures and preparing national and regional administrations in Hungary for the ESF.
- Presentations on the same topic from several viewpoints reinforced the participants' understanding of the ESF and allowed them to examine the variety of difficulties encountered from the perspective of the different actors involved.

Recommendations

- The European Training Foundation should continue the study visits to the EU for candidate country representatives.
- RACINE has played a key role in the management and implementation of technical assistance and the experience it has gained should be used to the full, i.e. as the basis of a formal information session for European Training Foundation staff and for specific training organised by the

European Training Foundation for relevant stakeholders in the acceding countries. *For example, Ms. Kopicova mentioned that she would like to cooperate formally with RACINE to develop the Technical Assistance Office in the Czech Republic.*

- The European Training Foundation could play an active role in organising cooperation and partnership with some of the relevant institutions/experts, particularly at the regional level where officials are keen to develop cooperation with acceding countries.
- The European Training Foundation should develop a clear strategy to pool EU resources and expertise on ESF management and implementation and to develop a database which could support candidate countries in organizing training initiatives and study visits. (See below the proposal to develop a database, which was put forward by the SPP-ESF team after the study visits to 11 EU Member States.)
- The European Training Foundation should contact the managers of twinning programmes in all candidate countries with a view to avoiding overlap of actions and to plan fruitful cooperation.
- The European Training Foundation should support training on the ESF with particular emphasis on case studies presented from different points of view (cf. the distance learning tool project on ESF).
- The European Commission should carry out a comparative study on financing at national level with a view to disseminating the best practices that have been developed in EU Member States.

5 Overall assessment and lessons learned by the participants

During the visit and the wrap-up session, participants said that the study visit was very well designed and that, although concrete conditions are different in France and in Hungary, the experience gave them an insight into how the ESF operates at national and regional levels. The relationships between the different actors were very well presented. Officials were very honest in trying to explain how they learnt from difficulties and did not try to hide the problems they faced. Participants felt that there are many similarities between Hungary and France, which has adapted easily to EU/ESF requirements. Nevertheless, the French system seems to be over-complicated. Sometimes even the actors themselves find it difficult to understand. Hungary must try to avoid excessive bureaucracy.

The participants were very clear in their understanding of the differences between Phare and ESF management procedures and stressed, in particular, that national rules apply for the ESF. Involvement with the ESF will have many implications for Hungary. In this regard, priority must be given to the development of; an adapted national legal system; well-trained civil servants and promoters; an effective information and assistance system; and rigorous auditing, control and analytical accountancy systems.

The concepts of decentralisation and de-concentration need to be understood by Hungarian policy-makers. Such an understanding would help them to work out a policy aimed at setting up national and regional structures to implement the ESF. Coordinating policies will be rather difficult in Hungary, since the regional organisation has still to be decided and competencies distributed accordingly. There is still no coherent policy approach to human resources development.

The Ministry of Education has no role in ESF policy-making in ESF. Hungary, however, will try to involve the Ministry of Education as a creative partner from the beginning.

The Ministry of Education participants mentioned that an in-depth analysis of various aspects of the French system, i.e. individual training for workers (CIF), the "Second Chance School Project", and the strong links between initial and continuing vocational education and training systems through the 'GRETA' network, would help them make better preparations for the ESF.

Ms. Bencze from the Ministry of Family and Social Affairs expressed an interest in developing contacts with the French Ministry of Education in order to organise practical and focused placements for civil servants. She would like to develop better knowledge of the impact of the ESF on equal opportunities and second chance school programmes. She would welcome a more practical in-depth analysis of how the Ministry of Education functions at national and regional levels.

There were many documents distributed during the visit (National Action Plan, Terms of Reference, ESF publicity material, guidelines for promoters etc.) and these were of great interest to the participants. However, the cost of disseminating information in Hungarian is a serious issue. A rough calculation of the cost of translating and printing 500 copies of a 300-page document and distributing it to a panel of national and regional actors involved in the ESF would be about 15,000 Euros.

Although the visit was very successful, all the participants mentioned that the time allowed for was enough for them to get an overview of the situation but not to go into the implementation process in any depth. They proposed that the study visits should be developed further, with European Training Foundation support.

6 Contact details of ESF-related institutions visited in France

Institution	Contact persons	Address/Tel/Fax/e-mail
RACINE	Mr. Claude Bapst Director	RACINE, 73 rue Pascal -F- 75013 PARIS Tel : +33 1 44 08 65 18 Fax : +33 1 e-mail: bapst@racine.fr
Ministry of Education (DAFCO)	Mr. Michel Hauw Director	DAFCO 7, rue de Thionville -F- 59800 Lille Tel : +33 3 20 12 14 52 Fax :+33 3 20 12 14 99 e-mail : gschoonheere@gretaformation.com
Ministry of Employment (DRTEFP)	Mr. Stephane Pouilly Head of ESF Unit	DRTEFP Les Arcades de France, 70, rue Saint Sauveur BP 456 -F- 59021 Lille Cedex Tel : +33 320 96 48 60 Fax : + 33 320 52 74 63
ACTIF Centre Nouvelles Technologies	Mr. Dario Martelossi Director	374, rue Jean Jaures, BP 74 -F- 59920 Quièvrechain Tel : +33 3 27 26 22 12 Fax : +33 3 27 26 37 26 e-mail :actifcnt@club-internet.fr

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Institution	Contact persons	Address/Tel/Fax/e-mail
Conseil Régional Nord-Pas de Calais	Ms. Cosima Dubray Head of European Affairs Department	Conseil Régional Nord-Pas de Calais Hotel de région Centre Rihour -F- 59555 Lille Cedex Tel : +33 328 82 52 36 Fax : +33 328 82 52 42 e-mail :C.Dubray@cr-npdc.fr

7 *Selected ESF documents on France available in the European Training Foundation*

- Single Framework Document 1994-1999 for Objective 1 in the Douai and Valenciennes area.
- ACTIF Booklet and Press release
- Terms of reference for Objective 4
- GRETA Network publication « Dynamo » (En, FR)
- Administration du travail, de l'Emploi et de la Formation Professionnelle (booklet)
- ADAPT- EMPLOI booklets
- The French Vocational Training System (booklet)
- Le contrôle du FSE (booklet)
- Regional Council booklets

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North Sea
Baltic Sea
GERMANY

B.1.4 GERMANY

Bonn- Düsseldorf- Berlin
5-11 April 1999

European Training Foundation organiser: *Evelyn Viertel*

STUDY VISIT TO GERMANY

1 Background to the study visit

2 List of participants

Czech Republic

■ Ms. Miroslava Kopicova	Head of National Training Fund
■ Ms. Jana Slencova	Ministry of Labour and Social Affairs
■ Mr. Miroslav Pribyl	Ministry of Labour and Social Affairs

Estonia

■ Ms. Reelika Arro	Department of Social Development, Ministry of Social Affairs
■ Ms. Pille Rebane	Department of Social Development, Ministry of Social Affairs
■ Mr. Madis Lepajõe	Deputy Secretary General, Ministry of Education

Poland

■ Ms. Diana Jablonska	Department for Structural and Regional Policies, Ministry of Labour and Social Policy
■ Mr. Pawel Kaczmarczyk	Department for Structural and Regional Policies, Ministry of Labour and Social Policy
■ Ms. Iwona Malmur	Bureau for European Integration and International Cooperation, National Labour Office

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European Training Foundation

Ms. Evelyn Viertel (Germany)	Programme Manager for Slovenia. Contact person with German national authorities.
Ms. Ulrike Schöner	Programme Manager for Czech Republic

3 *Summary of the study visit*

Please see Annex

4 *Main conclusions and recommendations*

- Participants were satisfied with both the content and the organisation of the study visit. The visit to the central ESF unit at the Federal Ministry of Labour (BMA) in Bonn was particularly useful as were the sessions with the ESF unit at the Ministry for Labour, Vocational Training and Women, the ECG service company and the GSUB consultancy in Berlin.
- In Bonn, the participants were briefed on the Berlin European Council, Presidency Conclusions (Agenda 2000), "The Structural Funds and their coordination with the Cohesion Fund - Draft guidance for programmes in the period 2000-06" and attended another session on "The New Programming Period 2000-06: Vademecum for Structural Fund Plans and Programming Documents".
- Participants were helped to understand how the ESF can be utilised to complement, and increase the scope and flexibility of, active employment policy measures provided for in national programmes.
- In Berlin, participants were also introduced to the region's labour market and vocational training policies in general. It was explained that active labour market policies go far beyond short-term training for the unemployed. They were impressed with the way in which various actors are mobilised to take part in (and to contribute in various ways, including co-funding, to) concerted actions aimed at using ESF support to create new training places and jobs, to provide assistance to individuals seeking further training and to help disadvantaged people to integrate or re-integrate into the labour market and society.
- The participants suggested that the European Training Foundation should undertake a number of follow-up activities (see next page) which would make a tangible contribution to the accession efforts of candidate countries.

Requests for support from candidate countries

During the study visit, there were intensive discussions with the participants on the current state of preparations for the Structural Funds in their countries. Participants mentioned two areas in which assistance from the European Training Foundation would be particularly welcome.

a) The provision of an **ESF guide or handbook** giving a short overview of the new Structural Funds and the ESF and illustrating ESF implementation in selected EU Member States, such as Spain, Ireland and Germany. Although DG V has produced a variety of publications, a concise and practice-oriented handbook, providing a brief description of ESF structures but focusing, mainly, on planning, implementation, monitoring, evaluation etc. in different EU Member States, is not available. The handbook could be translated into the languages of the candidate countries and would be a useful tool during SPP-ESF Phase 2, "Dissemination".

b) Comments by the European Training Foundation country managers on draft chapters and human resource development inputs into the National Development Plans or other planning documents.

Offers of support from Germany to partner countries

Various institutions offered support to candidate countries in their ESF preparations by sending experts to **additional seminars**.

a) Mr. Brüß, Head of the ESF Unit, Federal Ministry of Labour (BMA), offered to attend, together with one or two people from the BMA, a seminar to introduce participants to **ESF guidelines** in greater detail. The seminar would also look at how the different articles are to be understood and at **their implications.** It would also focus on **practical hints for implementation**. Ms. Kopicova from the National Training Fund of the Czech Republic offered to organise and host the seminar for the same or a different group of people in Prague around mid-June 1999, if travel and subsistence costs could be provided.

b) Mr. Walch, Head of the ESF unit of the Region of Berlin Ministry of Labour, Vocational Training and Women, offered to attend, together with one or two people from the same unit, a seminar to introduce in greater detail:

  (i) Structural Funds in Objective 1 regions

  (ii) ESF **planning documents;** and

  (iii) **financial control mechanisms**.

The strategic plan that is currently being developed by Berlin would be presented and would provide partner countries with examples which they could then modify to respond to their country-specific needs.

c) It was also suggested that a third seminar by a company providing **technical assistance in ESF implementation** (pre-selection of proposals, monitoring of contracts, financial and technical reporting, data processing, etc.) would be useful although it probably would involve payment of some fees.

5 *Contact details of ESF-related institutions visited in Germany*

5. ESF related institutions visited in Germany / Contact details:

Institution	Contact person	Adress/tel/Fax/e.mail
Federal Ministry of Labour (BMA),	Mr Kurt Brüß, ESF-Fondsmanager, or Ms Inken Peters	BMA, Referat VIIa3, Postfach 140280, D-53107 Bonn, Germany fax: +49 228 527 1209 e-mail: ku.bruess@BMA.BUND400.DE or in.peters@BMA.BUND400.DE
Labour Office of the Land of Northrhine-Westfalia (NRW)		

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Institution	Contact person	Adress/tel/Fax/e.mail
Regional ESF administration in Berlin	Sabine Lauterbach	Senatsverwaltung für Arbeit, Berufliche Bildung und Frauen, Referat Berufl. Weiterbildung - VII D - Storkower Str. 134 D-10407 Berlin, Germany tel. +49 30 9022 2634 fax +4930 9022 2910 e-mail:
BBJ Servis gGmbH: ■ ESF Technical Assistance provider ■ management of programme for disadvantaged adults	Mr Manfred Schneider, General Manager Mr Dieter Ramcke-Lämmert	BBJ Servis gGmbH Alt-Moabit 73 D-10555 Berlin, Germany fax +49 30 399 98 - 220 tel. (Mr Ramcke) +49 30 399 98 - 238
ECG Development and Financing (projects) BV: ■ ESF Technical Assistance provider	Mr René Olde Kalter Mr Buchwald	ECG Auke Vleerstraat 3 PO Box 240 NL-7500 AE Enschede tel. +31 (0)53 430 63 42 fax +31 (0)53 430 63 56 email: ecg.ede@a1.nl http://www.ecg.nl
GSUB: ■ project promoter/ implementer of Berlin-Neukölln Employment Pact	Dr Reiner Aster	Oranienburger Str. 65, D-10117 Berlin, Germany tel. +49 30 283 085 22 fax +49 30 283 085 10 or 55 email: gsub.berlin@t-online.de http://www.gsub.Berlin.de

6 *Selected ESF documents on Germany available in the European Training Foundation*

- Der Europäische Sozialfonds (leaflets)
- Bewährte Praktiken – weiterführende Strategien
- Arbeitsmarktpolitisches Rahmenprogramm Förderinstrumente
- Förderung der beruflichen Weiterbildung
- Förderung internationaler beruflicher Weiterbildung in Berlin
- Förderung der Berufsausbildung im Land Berlin

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ANNEX

Agenda for SPP-ESF Study tour to Germany, 5 - 11/4/99

Monday 5/4/99 PM	Arrival in Cologne	
Tuesday, 6/4/99 9.30am - 4.30pm	Federal Ministry of Labour (BMA), ESF Unit (Ref.VIIa3) BMA, House IIa, room n° 113/115	■ General overview of ESF structures, planning and implementation in Germany ■ Role and tasks of central ESF mission, incl. EC/ Bonn/Länder offices interface ■ National ESF guidelines & operational issues (Community Support Frameworks, Operational Programmes, forms etc.)
Wednesday7/4/99 **7.30am (departure)**	Travel by train Bonn - Düsseldorf (arrival 8.12am)	
9am - 3pm	Labour Office of the Land of Northrhine-Westfalia (NRW), a regional labour office, Düsseldorf	■ Regional guidelines for ESF projects/ ESF ■ Priorities in NRW ■ Use of the ESF to co-fund both measures as part of the economic restructuring plan and further training during 'forced' part-time work ■ Examples of economic diversification in NRW: from the coal-mining & steel area towards new activities/ employment opportunities in the services sector ■ Presentation of an ESF-supported (non profit-making) qualifications provider and employment consultancy, "GeBeWe" Oberhausen
4.19pm (departure)	Travel by train from Düsseldorf to Berlin (arrival 8.47pm)	
Thursday, 8/4/99 **9am Departure from hotel by bus** **Seminar programme from: 10am - 1pm and 2pm - 5pm**	Seminar room at "Gesellschaft für soziale Unternehmensberatung " (GSUB) Business Consultancy, Berlin, Oranienburger Str. 65 (Atrium), 10117 Berlin	10am - 1pm: Representatives from the ESF administration of the Land of Berlin: 1) ESF period 1994-99 2) New ESF period 2000-2006

1pm - 2pm: **lunch break**		■ ESF planning (Regional Development Plans, Community Support Frameworks, Operational Programmes - data required, planning process, actors involved, approval process etc.) ■ Structures/ administration/ role of individual players and institutions ■ Implementation - administrative aspects (procedures, forms, flows of information, data processing etc.) ■ Implementation - financial management (budgeting, invoicing, payments, financial monitoring & auditing) ■ Implementation - Project examples ■ Provision of information on ESF 2pm-5pm: Presentation of the regional "Employment Pact" project of Berlin-Neukölln
Friday, 9/4/99 **8.30am Departure from hotel by bus** **Seminar from 9.30am - 3.30pm**	Seminar rooms at "Wissenschafts- und Wirtschaftsstandort Berlin-Adlershof", Rudower Chaussee 5, Haus 4.1, Raum 314, 12489 Berlin (Frau Dr. Wedler)	Presentation of 2 pilot projects co-funded by the ESF: ■ "Structural adjustment of the Berlin-Adlershof" region" project "Promotion of the Berlin-Buch region" project
Saturday, 10/4/99	Reporting on study visit/ Preparation for follow-up meeting in Brussels 7-9 June Discussion of "next steps" amongst country delegations	

IRELAND
Dublin

B.1.5 IRELAND

Dublin-Shannon
13-19 March 1999

Dublin-Tipperary
22-28 May 1999
26-30 July 1999

European Training Foundation organiser: ***Brian Tisdall***

STUDY VISITS TO IRELAND

1 *Background to the study visits/ acknowledgements*

There were more requests to visit Ireland and Portugal than any of the other Member States. The interest in Ireland is very much the result of the excellent track record the country holds in ESF/SF implementation. This report puts together the conclusions of three study visits to Ireland. In order to meet the specific needs and schedules of the visitors, the study visits to Ireland were spread out over a longer period of time than those to other countries. The European Training Foundation wishes to express its gratitude in particular to the Irish ESF Mission at the Department of Enterprise, Trade and Employment. for agreeing to organise and host these training sessions. The study visits were characterised by the willingness of senior Irish officials to give their time to speak to the participants.

2 *Participants*

2.1 *13-19 March 1999 Dublin- Shannon*

Slovak Republic

- Mr. Gustav Pastucha, (responsible for the ESF), International Department, Ministry of Education
- Mrs. Lýdia Zelmanova, Director of Phare, Ministry of Labour
- Mrs. Elena Globanova, Deputy Director of Phare, Ministry of Labour
- Mrs. Valeria Kubalova, Director, Foreign Affairs Department, National Labour Office

Czech Republic

- Mr. M. Pribyl, Ministry of Labour and Social Affairs
- Mr. P. Chudej, National Training Fund
- Ms. M Smidova, Ministry of Labour and Social Affairs
- Ms. M Kopicova, National Training Fund

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- Mr. Brian Tisdall, Programme Manager for Albania and Bosnia-Herzegovina. Contact person with the Irish national authorities.

2.1 22-28 May 1999 Dublin- Tipperary

Hungary

- Mr. Mihaly Giber, Head of Department, Vocational Training Subsidies, Ministry of Education
- Mr. Gyorgy Lazar, Head of Department, National Labour Centre
- Mr. Gabor Nagy, International Rapporteur, Department of European Affairs, Ministry of Education

European Training Foundation

- Mr. Brian Tisdall, Programme Manager for Albania and Bosnia-Herzegovina. Contact person with the Irish national authorities.

2.3 24-30 July 1999 Dublin- Tipperary

Lithuania

- Ms. Grazina Kisuniene, Director, Vocational Education and Training Programme Management Unit, Ministry of Education and Science
- Mr. Evaldas Bacevicius, Senior Specialist, European Integration Division, Ministry of Social Security and Labour
- Ms. Lingaile Biliunaite, Chief Specialist, Labour Market Division, Ministry of Social Security and Labour

European Training Foundation

- Mr. Brian Tisdall, Programme Manager for Albania and Bosnia-Herzegovina. Contact person with the Irish national authorities.

3 Summary study visits: the Irish ESF model

3.1 Main Focus of the Study Visits

The main focus of the study visits was to give participants a practical picture of the Irish ESF administrative and financial structure. Visits started with a presentation by the Ministry of Finance which set the ESF in the overall context of the Structural Funds. This was followed by a day-long visit to the ministry hosting the Irish ESF mission. The idea was to provide participants with an overview of the national administrative structure, the system of financial control and the integration of the ESF into the National Action Plan. The participants then had the opportunity to visit the main, relevant Irish ESF implementation agencies. In addition, the study visit allowed for an examination of the use of the ESF at a regional level and participants visited a number of local ESF projects. Visitors from Slovak Republic and the Czech Republic travelled to Shannon (Co. Clare) where they were hosted by the University of Limerick and the Shannon Development headquarters. Hungarian and Lithuanian visitors travelled to Thurles (Co. Tipperary) where they were hosted by the Tipperary Rural and Business Development Institute.

Because of the political priority given to the integration of minority groups, including the Romany people, in the Accession Partnerships for the Czech Republic and Slovak Republic, an additional aim of the study visit was to examine how Ireland uses ESF support to integrate its nomadic 'traveller' groups into the labour market (Pavee Point, Dublin). Hungarian officials, on the other hand, spent a morning examining human resource development in the context of local development at Area Development Management Limited (Dublin)

3.2 *The Irish ESF Institutional Structure*

The national authority for, and coordinator of, the ESF in Ireland is the Department of Enterprise, Trade and Employment. The Community Support Framework is made up of six Operational Programmes. One of these is the Human Resource Development Operational Programme, which receives 80% of total ESF funding, i.e., 1,271 million Euros. The activities of the programme are delivered through four implementing agencies:

- The Department of Education and Science (45% of total ESF funding)
- FÁS -National Employment and Training Authority (40%)
- The National Rehabilitation Board (13%) and
- The Department of Justice (0.5%)

The other five Operational Programmes receiving mainstream ESF assistance from the 1994-99 Community Support Framework are:

- Industrial Development
- Tourism
- Agriculture, Rural Development and Forestry
- Local, Urban and Rural Development and
- Fisheries

Approximately 90% of ESF funding in Ireland is spent on education and training.

3.3 *Main characteristics of the ESF institutions visited*

This section provides a brief description of the roles and responsibilities of the various bodies that are directly responsible for ESF implementation in Ireland.

The Department of Enterprise, Trade and Employment

This Department manages the Operational Programme for Human Resource Development, which contains five main sub-programmes:

Initial Education and Training	Adaptation to Industrial Change
Continuing Training for the Unemployed	Improvements in the Quality of Training Provision
Re-integration of the Socially Excluded	

As the leading ESF Department, it hosted the first day of the study visits which was designed to set the national context of the ESF etc. The Department of Finance was also invited to join the first day's session and to present an overview of the Community Support Framework, to explain how Ireland achieves 100% draw-down of funding etc. The main message from the first day was that partner countries should decide what their employment and training needs are before they analyse ESF mechanisms, so as to avoid the mistake of 'chasing' ESF funds.

The Department of Education

In the current five-year Community Support Framework period, this Department manages 879 million Euros of ESF funding and 17 national ESF programmes targeted at 70,000 beneficiaries per year. The Department was in charge of the organisation of a one-day programme for each of the two study visits and has received similar ESF-type study visits in the recent past. If has found that the most popular themes for discussion are:

- skill needs;
- second-chance education; and
- certification.

FÁS - the National Training and Employment Authority

FÁS is the implementing authority in Ireland for ESF-funded measures in the field of training and employment services for the unemployed, particularly the long-term unemployed, as well as for industry and community-based enterprise. It provides a package of measures which includes education and training, counselling and guidance and placement, coupled with re-integration services. FÁS focuses mainly on:

- industrial skills for the unemployed and those with inadequate qualifications;
- training support schemes for SMEs; and
- training and employment services targeted at the long-term unemployed and those facing exclusion from the labour market.

FÁS has a national structure and a network of 20 local training centres (four of which are exclusively for the 'traveller' nomadic community), 60 community training workshops and 70 local employment offices. FÁS was enthusiastic in its support for the study visits and presented case studies on:

(i) the integration of the social partners into policy-making and the design of employment and training programmes;

(ii) how to design a transparent financial auditing system; and

(iii) the relationship between ESF activities and National Development Plans and National Action Plans for employment.

Department of Finance - the National Structural Funds Information Unit

On Day 1 of the study visits, this unit gave a one-hour presentation, which was an overview of the Structural Funds allocated to Ireland under the Community Support Framework.

Department of Tourism, Sport and Recreation

On the suggestion of Mr. Denis Kennedy, DG V, the European Training Foundation included local development issues in the study visits. Much of the focus in local development in Ireland is on human resource development measures to combat social exclusion in disadvantaged areas.

The Local Development Operational Programme received £46,000 million ESF funds during the 1994-99 Community Support Framework period. ESF funding is focused on two main activities:

- local enterprise - targeting the self-employed in micro-enterprises and the management of small firms and local enterprise community groups; (Decisions on enterprise support are taken by the

35 County Enterprise Boards, whose aim is to identify, prioritise and fulfil the needs of local enterprise.); and

- local partnerships - 38 Area-Based Partnerships and 33 Community Groups which provide innovative training in fields where mainstream education is not tackling specific local problems, e.g. early school leaving etc.

There is a close relationship between the *Territorial Employment Pacts* and local development. The possibility of inviting a small number of study visit participants to attend a Local Urban and Rural Development Operational Programme Monitoring Committee as observers was carefully considered. Presentations on the theme of local development were made by Area Development Management Limited (see below).

Area Development Management Ltd.

ADM is a company which was set up by the Irish government to support local social and economic development and which has been given overall responsibility for the local partnership component described in the preceding subsection. Its functions include assessment of local development plans, allocation of funding and monitoring of the expenditure and performance of beneficiaries.

The ADM contribution to the study tour focused on the human resource development aspects of local development. Together with the Department of Enterprise, Trade and Employment, ADM devoted one half-day to such themes as the tasks to be carried out, preparation for Monitoring Committee Meetings and the definition of local development in the Irish context. They also presented a practical case study, i.e. a project in which local employment services targeted early school leavers. This was followed by a visit to a project, the Ballymun Job Centre's 'Tramlines' project, which provides computer training for the unemployed.

4 Conclusions and recommendations

4.1 Conclusions

The Slovak Republic and Czech Republic visit

The objectives of the study visit were fully met. The visit included a broad range of formal and informal presentations on the Irish ESF system, which allowed participants to increase their knowledge of the ESF.

If funding can be found, the Irish authorities offered to receive officials from the Czech and Slovak Republics on follow-up thematic visits. A specific session on support for travellers (Romany-type people) was also included.

The visit by Hungarian officials

The objectives of the study visit were fully met. The visit included a broad range of formal and informal presentations, which allowed participants to increase their knowledge of the Irish ESF system.

The part of the visit devoted to the implementation of the ESF at the regional level was particularly successful. Hungarian colleagues were able to see how a newly formed institution uses the ESF to support SME development in small rural communities. The visit to an ESF-funded traveller (nomadic) community workshop was an innovative feature of both study visits.

The Lithuanian visit

The objectives of the study visit were fully met. The visit included a broad range of formal and informal presentations, which allowed participants to increase their knowledge of the Irish ESF system.

As Lithuania has an almost identical population (3.5 million) to Ireland, the ESF administrative structure in Ireland was thought to be very transferable to the Lithuanian situation.

4.2 *Recommendations and potential transfer of good practice to partner countries*

Slovak Republic and the Czech Republic

- **ESF information dissemination**

Participants agreed that the Irish ESF Information Office model is very useful. Up to 75% of staff costs can be supported by the ESF.

- **Equal opportunities**

Partner countries need to extend the definition to include, not only gender, but also disabled people.

- The institutional framework of vocational education and training

Participants had an opportunity to learn about the National Employment and Training Authority's (FÁS) network, which consists of 20 training centres (four of which are exclusively for the "traveller" or gypsy community), 60 community training workshops and 70 local employment offices in local and regional training centres. FÁS could be a useful model for the development of continuing vocational training capacity in the Czech Republic and Slovak Republic.

- **The institutional framework of the ESF**

Ireland has chosen to use mainly public training providers to deliver ESF support. This requires a relatively small number of administrative staff at a central, national level. For comparative purposes, it would also be useful to visit a Member State which has chosen to use private providers (e.g. Portugal or the UK).

- **National support structures**

National structures, such as the National Women's Council and the National Youth Council, provide useful support to Community Initiatives and are to be recommended if these initiatives are extended to acceding countries.

- **Financial issues**

Guidelines on the different financial and auditing systems used by the Commission (DGV, DGXX, Court of Auditors) would be very useful for acceding countries.

Copies of the National Action Plan and the Shannon Integrated Regional Development Plan were distributed to participants. A separate session was held to discuss the Integrated Regional Development Plans in acceding countries.

Preliminary discussions were held between the Czech National Training Fund and the Irish authorities on the development of a separate ESF training course for 60 Czech officials.

The Irish officials advised partner countries to decide what their employment and training needs are before they analyse ESF mechanisms, so as to avoid the mistake of 'chasing' ESF funds.

Hungary

- **Rural development**

Participants were especially interested in the transferability of the Tipperary Rural Business Development Institute, which is a newly-established sustainable rural development institute and will operate like a university. Staff at the institute must also spend 40% of their time working outside the institute mentoring local SMEs and community groups. The model was considered very appropriate as a regional development tool for Hungary.

- **Key indicators**

The Department of Education gave the group a set of key indicators which are used to prepare the Department's report to the ESF Monitoring Committee.

- **The ESF Information Office**

The Irish ESF Information Office was considered to be a very interesting example of good practice.

- **The institutional framework of vocational education and training**

The Hungarian continuing vocational training model is based on the Irish FÁS system. Participants were interested to learn how the adult training centres have contributed to the recent success of the Irish economy;

- **The institutional framework of the ESF**

Participants learned of the need to base the Hungarian ESF framework on existing infrastructure. They are going to suggest a stock-taking review of the Hungarian education and training system to ascertain the changes that are required for Hungary to take full advantage of the ESF.

- **Reporting**

The group will also recommend a review of Hungary's statistical system and its capacity to provide the necessary reports to Brussels.

- **Recommendation**

Both Irish and Hungarian officials referred to the useful 'brokering' role which the European Training Foundation could play in coordinating future study visits and staff exchanges.

Lithuania

- **Cash flow problems**

The Lithuanians learned that it may be necessary to sensitise their respective secretaries-general and heads of finance on the need to be flexible with co-financing. If there are administrative delays in drawing down finance from Brussels, the ministries should be ready to advance additional funds to ensure that implementation is not delayed.

- **Human resource development**

One of the advantages of the ESF is that, by its very existence, it often obliges governments to invest in human resources development.

- **ESF funding**

Irish officials recommended that, when the ESF becomes available to Lithuania, their counterparts should request that at least 30% of the total, national Structural Funds allocation be devoted to the ESF.

- **ESF Administrative Staffing Levels**

Ireland has a total of 13 staff in the ESF Section of the lead ministry. Lithuania will consider establishing a similar structure.

- **ESF Officer**

Participants will recommend to their respective ministries that an ESF Officer be appointed in the near future to coordinate policies both within Lithuania and, externally, with the EU.

- **Training placements for middle-management**

It was recommended that middle-managers in the Lithuanian Ministry of Labour should spend 5-6 months on training placements in DGV and in Member State ESF administrations. Ireland is ready to receive two such 'stagiaires' (in the national ESF mission and in FÁS).

- **Partnership**
- **Partnership, especially involvement of the social partners, was cited as one of the keys to the successful Irish ESF experience.**
- Good practice

Lithuanian officials were advised by FÁS to examine good practice examples in other countries. One example is the Regional Training Centres in Hungary.

- **NGOs**

NGOs need to be established at an early stage so that they can play an effective role in future monitoring committee meetings.

5 *Overall assessment and lessons learned by participants*

Please see, in Annexes IA, IB and IC, the documents prepared by the participants in the two study visits.

6 *Contact details of key institutions visited in Ireland*

Institution	Contact person	Address/Tel/Fax/e-mail
Department of Enterprise, Trade & Employment Vocational Training	Ms. P. Mulligan, Information Officer	Adelaide Road, Dublin 2 Tel. +3531 661 4444 Extension 3334; fax 6764801
Department of Finance	Ms. A. O'Cléirigh, Information Officer	Tel 6045333; fax 6045334
Department of Education	Ms. A. Mc Donnell, Assistant Principal Officer	Irish Life Centre, Abbey Street, Dublin 1 Tel +3531 8095064; fax 8788648
FÁS - National Employment and Training Authority	Mr. F. Kavanagh, Manager, Programme Development Unit	Lower Baggot Street, Dublin 2 Tel. +3531 6070591 fax 6070590

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Institution	Contact person	Address/Tel/Fax/e-mail
Area Development Management Limited	Mr. Senan Turnbull, Manager, Training and Employment Services	Holles Street, Dublin 2 Tel +3531 6613611
Pavee Point (NG0)	Mr. N. Crowley,	North George's Street, Dublin 1 Tel.+3531 8780255 fax 8742626
Tipperary Rural and Business Development Institute (TRBDI)	Ms. Caroline O' Reilly, SME Programme Specialist	Tel. +353504 24488 fax 28111
SFADCO, Shannon Co. Clare	Mr. J. O'Loughlin, EU Affairs	Tel. +35361 3615555 fax 361903

7 *Selected ESF documents on Ireland available in the European Training Foundation*

■ The Structural Funds and the Development of Ireland, 1994-1999	Info regio
■ Operational Programme for Human Resources Development	Government of Ireland/EC 1995
■ Mid term evaluation of the Human Resources Development Operational Programme, 1994-1999	Goodbody Economic Consultants, 1997
■ ESF Programme evaluation unit: evaluation report. Labour market services	ESF Evaluation Unit, 1996
■ Ireland, Community Support Framework 1994-1999 (Objective 1)	EC 1994
■ Operational Programme 1994-1999 for Local, Urban and Rural Development	Government of Ireland/EC 1995
■ Operational Programme 1994-1999 for Agriculture, Rural development and Forestry	Government of Ireland/EC 1995
■ Guide to the Operational Programme for Tourism 1994-99	Department for Tourism and Trade
■ Operational Programme 1994-1999 for Local, Industrial Development	Government of Ireland/EC 1994
■ Review of Community Employment Programme	Department of Enterprise, Trade & Employment, 1998
■ Community Initiative: Ireland-Wales Maritime Interreg Programme 1994-99	

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■ Consultation and participation in the preparation of the local development plans	Area Development Management
■ Léargas (the exchange bureau): growing through transnational experience	Léargas, 1996
■ Education and training policies for economic and social development	National Economic and Social Council, 1993
■ Charting our Education Future, White Paper on Education	Department of Education, 1995
■ Ireland: Vocational Education and Training. A guide (Leonardo da Vinci programme)	Dermot Stokes & Elizabeth Watters
■ Continuing Vocational Education and Training in Ireland	The EC's FORCE programme,
■ Trends in occupations in Ireland 1995-2003	FAS, 1995
■ FAS Annual Report & Financial Statements	FAS, 1997
■ FAS Services for you	FAS

ANNEX I.A

Slovak Republic

Summary of the study visit to Ireland 13–19 March 1999

1 *Lessons learned from the Irish ESF experiences*

- The participants acquired general information on the operation of the ESF in Ireland.
- Following our experience, we consider it vital to establish an effective management structure for the ESF with the participation of relevant ministries and institutions. In the Slovak Republic, these are:
  - the Ministry of Labour, Social Affairs and the Family;
  - the Ministry of Education;
  - the Ministry of Finance; and
  - the National Labour Office.
- In the Slovak Republic, it will be necessary to set up a body or institution comparable to FÁS to deal with labour market analysis, training, certification etc.
- We acquired basic information on the planning of the National Development Plan, sectoral action plans, the National Employment Plan and the Human Resources Development Plan.
- The role of commercial and educational institutions in regional development was examined.
- Some information on local employment activities - how to bring together different financial and human resources to achieve regional development -was provided.
- Regional organisation in Ireland is an effective example of good practice.
- The National Technological Park is a good example of regional cooperation

2 *Follow-up activities*

Each of the ministries involved and the National Labour Organisation will organise a seminar for its top management .

- It is necessary to strengthen cooperation with Regional Information and Consultancy Centres in preparing regional development plans.
- The National Labour Organisation will disseminate all relevant information on Employment Guidelines to regional and district levels in order to prepare labour office staff for their role in monitoring and analysing the employment situation and in defining the framework for further activities of the EFS.
- We recommend that, on the completion of the European Training Foundation SPP-ESF programme, these events are organised on a regional level in close collaboration with the Ministry of Labour, Social Affairs and Family, the Ministry of Education and the National Labour Office in three regions - west, middle and east Slovak Republic.
- These events should be financed from the European Training Foundation budget allocated to the different ministries.
- Information about the procedure for drawing down these funds is not, however, available to us at the moment.

3 *Evaluation*

The programme covered all the aspects we wanted to know about and we would like to thank all the Irish institutions who were involved in this study visit.

Bratislava 7.4.1999

ANNEX I.B

Hungary - How can we use the experience we gained during the study visit to Ireland?

Between 22-28 May 1999, we took part in a study visit organised by the European Training Foundation in the framework of the Phare SPP Programme, which is aimed at introducing the fabric of the ESF to accession countries like Hungary.

A very special thanks should go to Mr. Brian Tisdall, not only for the excellent organisation of our programme, but also because of his profound commitment to the objectives of the SPP-ESF programme. It will be extremely difficult for us to repay our Irish colleagues for their devotion and help, for sharing their expertise with us, for providing us with written materials related to the ESF and, last but not least, for the warm welcome that made this visit unforgettable.

During our week-long study visit we had the opportunity to become acquainted with the theoretical cornerstones of the ESF. We were also given an insight into the nuts and bolts of the everyday operation of the Fund. It was all done in a very well-planned manner, utilising a top-down approach, i.e., starting at country level and ending at the very local level.

We would like to list the main observations we made and conclusions we reached during the study visit.

- The upgrading and development of the Irish educational system had a very positive and crucial impact on the Irish economy. As the Irish workforce tends to be younger, providing this age-group with appropriate training programmes was a decisive key to success. Nothing makes a country more attractive to investors than a well-trained workforce. The Irish policy can also be seen as a practical implementation of the UNESCO principle: "Only education that can show the way out of stagnation and lay the foundations for sustainable development'.
- Ireland is one of the most successful EU Member States in using ESF resources. Four factors contributed to this success:
    - (i) Ireland was able to identify the gaps and deficiencies in its education and training system;
    - (ii) it proceeded to develop excellent programmes to fill these gaps;
    - (iii)it set up a well-managed monitoring system; and
    - (iv)civil servants were made personally responsible for spending ESF funding.
- In its educational and training programmes, Ireland relies on both a top-down and a bottom-up approach. This means that those programmes that can be mainstreamed are conceived and developed mainly by the Department of Education and FÁS and delivered in a top-down manner. The delivery process is headed by the ESF National Authority (Department of Enterprise, Trade and Employment) and then propagated through the agencies (Department of Education and FÁS) down to the local beneficiaries. These programmes reach the majority of target groups, regardless of their geographical location, and are financed by the Human Resource Development Operational Programme. Ireland has been considered as a single region in the programming period 1993-1999 (although FÁS has its own regional policy). If these mainstreamed actions prove to be insufficient, it is up to partnerships and community work-groups at the local level to draw up specifically tailored programmes and submit them upwards to ADM Ltd. The assistance in this case comes from Development of Disadvantaged Regions Sub-programme of the Local, Urban and Rural Development Operational Programme.

- It is worth noting that, although it does not provide formal training in the ESF for its civil servants, Ireland performs very well in terms of fund-usage ratios. It was mentioned however, that the constant turnover of agency personnel puts the current on-the-job-training method into question, at least to a certain extent.
- We are of the opinion that Ireland has also set an outstanding example in how to involve the social partners in the decision-making process, how to ensure that decisions are of better quality and how to make the basis of the programmes as broad as possible.
- In contrast to the British system, where the implementing agencies are mostly private companies, in Ireland, they are mostly state or semi-state bodies. These agencies are certainly not averse to sharing best practice, which can be the case with private companies. On the other hand, private companies tend to adopt a competitive approach which can be useful in some cases. In a word, we are of the opinion that the Irish system probably has more advantages than disadvantages.

The following suggestions are based on the conclusions drawn from the study visit.

- It is high time that Hungary included the study of ESF-related policy, everyday practice and legal resóurces as an intrinsic part of its accession strategy.
- The human and institutional conditions necessary for the introduction of the ESF must be created in the relevant ministries and agencies as soon as possible.
- We ought to review the Hungarian educational and labour market system and need to identify the elements that can we draw on (agencies, research institutions, government offices, rural development boards, local authorities, etc.) when co-financing is introduced.
- We have to analyse the experience of leading ESF users and consider their programmes from the viewpoint of adaptability.
- Steps should be taken to prepare future project players for proper project operation.
- It would be advisable to examine our statistical system to see if it is capable of generating statistics and data in line with EU project management indicators. If projects are to be planned and based on statistical data, the system for generating these data must be adequate to the purpose.
- We should take the advice of Irish officials and

  (i) minimise the extent to which we reshape the national educational system just to access ESF resources and

  (ii) make the monitoring system as simple as possible.
- We should develop a system where the regional and the horizontal, and the top-down and bottom-up, approaches complement one another.
- Priority areas (like vocational training etc.) and priority groups (like marginal people, Romanies etc.) must be identified within the Hungarian educational system. General principles like equal opportunities need to be further refined.
- We should consider the ways in which ESF-related information could be disseminated among the particular target-groups.

Budapest 11.06.1999.

ANNEX I.C

Lithuania

Vilnius, 23 August 1999

Report of the mission to Ireland
Date of mission: 24 July - 2 August 1999

Lithuania SPP-ESF Irish study visit

1 *Participants*

- Ms. Grazina Kisuniene, Director, VET Programme Management Unit, Ministry of Education and Science
- Mr. Evaldas Bacevicius, Senior Specialist, European Integration Division, Ministry of Social Security and Labour
- Ms. Lingaile Biliunaite, Chief Specialist, Labour Market Division, Ministry of Social Security and Labour

2 *Main Host Organisation*

ESF Mission, Department of Enterprise, Trade and Employment. The participants were impressed by the willingness of senior Irish officials to give their time to speak to them.

3 *Main Focus of Study Visit*

The main purpose of the study visit was to give participants a practical insight into the Irish ESF administrative and financial structure. The programme began with a one-day visit to the ministry hosting the Irish ESF mission. The participants, later, had the opportunity to visit some of the main Irish ESF implementation agencies. They were also given the opportunity to examine the operation of the ESF at a regional level and visited a number of local ESF projects.

4 Lessons learnt/next steps

(This section was jointly prepared by all three participants.)

- The ESF administration staff in the Department of Enterprise, Trade & Employment consists of thirteen people. It was recommended that the corresponding Lithuanian ministry should also have adequate resources to administer the ESF.
- It was recommended that an ESF Officer be appointed, in the near future, to coordinate policies both within Lithuania and vis à vis the EU.
- It was noted that administrative delays could cause cash-flow problems in the drawing down of ESF funds. The Lithuanian ministry should be kept well informed and be ready to advance funds to ensure that implementation is not delayed.
- There should be in-depth consideration of all aspects before a decision is taken on contracts for training services. The advantages and disadvantages of private versus public training providers should be carefully examined.
- The evaluation of projects could be undertaken either from within the ministry's ESF department or by an outside body contracted for that purpose. The advantages and disadvantages of each option should be carefully considered.
- The importance of training the staff in the ESF department was emphasised. It was recommended that middle-managers in the Lithuanian Ministry of Labour should spend 5-6 months on training placements in DG V and in ESF administrations in the Member State. Ireland is prepared to receive two such 'stagiaires' (in the national ESF mission and in FÁS).
- It was recommended by FÁS that good practice in Hungary be examined and that consideration be given to establishing a pilot adult training centre in Lithuania.
- Partnerships and the involvement of NGOs in Monitoring Committees are key elements in the implementation of the ESF.
- It was recommended that new NGOs be established now so that they can play an active role in the Monitoring Committees when these are set up.
- The importance of setting up evaluation and monitoring procedures was stressed.
- The ministries involved, - the Ministries of Education and Science, Social Security and Labour - should develop a common strategy.

Grazina Kisuniene, Director, PHARE VET PMU

ANNEX II.A

Special Preparatory Programme For the European Social Fund (SPP-ESF)

Study Visits to ESF Authorities in Ireland

Participants: Officials from the Czech and Slovak Ministries of Education and Labour
15-19 March 1999

OUTLINE PROGRAMME

DAY 1: Monday 15 March 1999

The Structural Funds and the ESF at National Level

10.00 a.m.

Venue:	Department of Enterprise, Trade & Employment, Dublin
Presentations:	a) Department of Finance, Ms. A. O'Cléirigh
	b) Department of Enterprise, Trade & Employment, Ms. P. Mulligan

Issues

(i) Overview of Structural Fund programmes in Ireland
(ii) The Community Support Framework
(iii) Details of the current round of ESF funding
(iv) Future directions for the ESF, including National (Employment) Action Plans
(v) Practical Do's and Don'ts for countries preparing for administration of ESF:
ministerial staffing needs;
ministerial information technology needs;
administrative procedures;
financial control and reporting;
structures for the management of implementing agencies etc.
(vi) Question and answer session
(i) Feedback from participants

DAY 2: Tuesday 16 March 1999

10.00 a.m.

Morning Session - 'Travellers'

Venue: Pavee Point, Dublin. This is an organisation which contributes to improving the quality of life and living conditions of Irish travellers (nomadic people).

Issues

- Overview of Pavee Point
- Development of statutory policies for travellers
- Video describing the situation of travellers and nomadic people in Ireland
- Panel of traveller speakers (equality of opportunity for traveller women, adult literacy programmes, etc.)

Afternoon Session - Education, Employment and Training

Venue:	FÁS - National Employment and Training Authority, Dublin
Presentations:	Mr. F. Kavanagh, FAS
	Ms. A. Mc Donnell, Department of Education

14.00 - 15.00 Education Issues

- Brief overview of priorities for the Irish education system
- How to integrate these priorities into an overall Structural Funds development plan
- The need to avoid developing a separate education and training system just to access ESF funding
- How to develop reporting systems
- Evaluation procedures

15.00 - 18.00 Employment and Training Issues

- Overview of role of FÁS as an ESF implementation agency
- Institutional structure of FÁS
- Financial control - tracking and auditing of ESF funding
- Data collection and analysis
- DGV video on the future of the ESF 2000-2006
- ESF thematic issues - certification; cooperatives; local development; structure of training provision; training needs analyses; enterprise development, etc.
- FÁS European Partnerships
- Cross border co-operation programmes
- Community Employment Initiatives

DAY 3: Wednesday 17 March 1999

Travel by minibus to Shannon, County Clare

DAY 4: Thursday 18 March 1999:

ESF activities at regional level

Main contact: Mr. J. O'Loughlin, SFADCO, Shannon, County Clare

Venue 1: Shannon Development, County Clare

Visit to the Irish government agency responsible for economic development in the Shannon region.

Venue 2: Limerick University and Industrial Park

Site-visit to study the experience of this university, which is in vanguard of the trend linking higher education and research with industry.

Early evening - return to Dublin.

DAY 5

Lessons learned and follow-up activities

09.30 a.m.

Late afternoon departure for airport.

ANNEX II. B

Special Preparatory Programme For the European Social Fund (SPP-ESF)

Study Visits to ESF Authorities in Ireland

22-28 May 1999
Participants: Officials from Hungarian Ministries of Education and Labour

24-30 July 1999
Participants: Officials from Lithuanian Ministries of Education and Labour

PROGRAMME

Monday 24 May

The Structural Funds and the ESF at National Level

10.00 a.m.

Venue: Department of Enterprise, Trade & Employment, Dublin

Presentations: a) Department of Finance, Ms. A. O'Cléirigh
b) Department of Enterprise, Trade & Employment, Ms. P. Mulligan

Issues

(i) Overview of Structural Fund programmes in Ireland
(ii) The Community Support Framework
(iii) Details of the current round of ESF funding
(iv) Future directions for the ESF, including National (Employment) Action Plans
(v) Practical Do's and Don'ts for countries preparing for administration of ESF:
ministerial staffing needs;
ministerial information technology needs;
administrative procedures;
financial control and reporting;
structures for the management of implementing agencies etc.
(vi) Question and answer session
(vii) Feedback from participants

Tuesday 23 May

Morning Session - National Education Policy and the ESF

10.00 a.m.

Venue: Department of Education
Contact: Ms. A. Mc Donnell

- Brief overview of priorities for the Irish education system
- How to integrate these priorities into an overall Structural Funds development plan
- The need to avoid developing a separate education and training system just to access ESF funding
- How to develop reporting systems
- Evaluation procedures

Afternoon Session (Tuesday) Site Visit

Visit to National Training and Employment Authority, FÁS, Training Centre - training programmes for disadvantaged groups

Wednesday 26 May

Human resource development activities at regional level

Travel by minibus to Thurles, County Tipperary. Departure from the hotel at 10:00 a.m.

Visit to the *Tipperary Rural and Business Development Institute* (TRBDI), an organisation recently established by the government as Ireland's first integrated higher education and development institute, supporting rural communities.

Contact: Ms. Caroline O' Reilly

- Why and how the TRBDI was established
- TRBDI mission
- How is it financed (including ESF support - if any)
- Characteristics of TRBDI's target groups
- Support for SMEs

Thursday 27 May

Morning Session: Employment and Training Issues

Venue: Department of Enterprise, Trade & Employment

Presentation: Mr. F. Kavanagh, FÁS - National Employment and Training Authority

- Overview of role of FÁS as an ESF implementation agency
- Institutional structure of FÁS
- Financial control - tracking and auditing of ESF funding
- Data collection and analysis
- DGV video on the future of the ESF 2000-2006
- ESF thematic issues - certification, cooperatives, local development, structure of training provision, training needs analyses, enterprise development etc.
- FÁS European Partnerships
- Cross border cooperation programmes
- Community Employment Initiatives

Afternoon session (Thursday) :
Human Resource Development in context of Local Area Development

2:00 p.m.

Venue: Area Development Management Limited, Dublin

Contact: Mr. Senan Turnbull

- What does "local development" in Ireland mean?
- Government priorities for human resource development at local level
- Tasks for officials preparing for Monitoring Committee meetings
- The operational programme sub-programme for local development in disadvantaged areas
- Aims of the ESF at local level: education and training; services to the unemployed; and community development
- Practical case study: local employment services

Friday 28 May

Lessons learned and follow-up activities

09.30 a.m.

Late afternoon Departure for airport

ITALY
Adriatic Sea
Tyrrhenian Sea
Mediterranean Sea

B.1.6 ITALY

Rome-Basilicata Region

2-7 May 1999

European Training Foundation organiser: *Milena Corradini*

STUDY VISIT TO ITALY

1 Background to the study visit

The study visit was organised, in terms of presentations, material and logistics, by ISFOL, the Istituto Italiano per la Formazione Lavoratori, which is a research institution under the Ministry of Labour. The group was accompanied, throughout the visit by Mr. Franceschetti from ISFOL and the interpreter, Ms. C. Crisan.

2 Participants

Romania

- Mr. F. Lupescu, Head of the Directorate for Social Policy, Justice and Home Affairs in the Department for European Integration
- Ms. G. Platon, Director General National Agency for Employment and Vocational Training
- Ms. M. Serban, Director of the Centre for the Development of Vocational Education and Training, Ministry of Education

European Training Foundation

- Ms. Milena Corradini, Programme Manager for Romania and Former Yugoslav Republic of Macedonia. Contact person with the Italian national authorities

3 Summary of the study visit: the Italian ESF model

3.1 Basic facts about the ESF in Italy

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- The ESF allocation to Italy for the period 1994 - 1999 in Italy was 4,715 million Euros. If the national financial contribution is included, the total is 8,345 million Euros.
- The ESF allocation from the EC represents 12.30% of the total allocation to EU Member States.
- Seventy-five per cent of training activities in Italy are ESF driven.
- The largest allocation is to Objective 1 regions, which receive 58% of the total ESF resources allocated to Italy.
- Twenty per cent of the ESF allocation is managed by the Ministry of Labour through multi-regional programmes and 80% is managed directly by the regions.
- Efficiency in the delivery process has considerably improved during the last programming phase. The objectives and the methodological approach, which were not fully clear at the beginning, were revised and improved as a result of the mid-term review.
- Decentralisation of ESF management at sub-regional (provincial) level is at quite an advanced state. This process has required considerable ESF skill development at different levels, including the lower administrative level.

The main priorities for ESF funding are:

- to promote and develop active employment measures to fight against unemployment and to prevent unemployment;
- to promote equal access to the labour market;
- to up-grade initial and continuing training as part of ensuring access to lifelong learning for all; and
- to promote entrepreneurship and the development of SMEs.
- In 1998, ISFOL carried out a qualitative analysis of the impact of the ESF on the strategy for the development of human resources and employment. Among the positive effects it noted are:
- an improvement in the quality and the visibility of the training on offer;
- better integration of the national and regional levels of the vocational training system, which facilitates the development of a more flexible response to the needs of the labour market;
- the setting up of a system of lifelong learning for adults, which is the most serious weakness of the Italian system for the development of human resources;
- more flexible and diversified access to training for socially excluded and marginal groups;
- rationalisation and innovation in the use of resources; and
- improvements in the system of certification and assessment, based on the introduction of a personal record (or log-book) of professional qualifications, where all training credits are registered on the basis of a standard qualification system.

The main focus of the visit was on the overall structure for managing and implementing the ESF in Italy and its relationship between this and education, regional development and institution-building. The visit also included a two-day mission to Basilicata, which is an Objective 1 region.

3.2 *Study visit Programme (see also annex)*

Meetings were organised with:

- UCOFPL, the ESF implementing office in the Ministry of Labour which is also responsible for the Community Initiatives;
- ISFOL, which provides technical assistance in managing and evaluating the ESF to the Ministry of Labour;

- the Ministry of Education, which received substantial assistance from the ESF, and the ERDF, for the reform of the system, particularly the vocational education and training system in Objective 1 regions;
- a representative from the ESF administrative structure in the region of Umbria;
- representatives from trade unions confederations;
- a representative from an SME association; and
- the Department for Vocational Education and Training in Potenza, in the Basilicata Region.

The programme also included visits to:

- the Istituto Professionale di Stato per i Servizi Sociali "Isabella Morra", Matera;
- Nicoletti, a company which specialises in the production of sofas and which has been involved in a training programme aimed at creating employment in the same company;
- ENAIP, which is a non-profit making centre providing guidance and training through ESF financing; and
- the Società per l'imprenditoria giovanile, which is a share-holding company set up by the Ministry of Finance to provide services, including financial support, to promote enterprise creation and self-employment.

4 Conclusions and recommendations

The objectives were met and the participants reached the following conclusions:

- it was interesting to see how national and regional authorities work together in the development of plans aimed at planning the use of Structural Funds;
- it was particularly relevant to see how the social partners are involved and actively participate in all the processes;
- it was interesting to see how direct action with entrepreneurs can create employment; and
- it was interesting to analyse the institutional setting and the decision-making process on the use of the Structural Funds.

5 Overall assessment and lessons learnt by the participants

The Romanian delegates took particular note of the following aspects of the Italian situation:

- the way in which a regional approach provides an institutionalised framework for the management and implementation of ESF programmes;
- the importance of information flows and the way advertising campaigns helped develop a promoters' culture;
- the effective use of information technology in the implementation and financial management of the projects; and
- the corrective actions taken during the lifetime of the ESF programme.

During the wrap-up session, participants agreed that the Italian model could provide them with important inputs in terms of the following needs:

- the need for a clear definition of the national institution which is going to be responsible for the ESF;
- the need to equip this institution with the necessary qualified staff to deal with the ESF;
- the need for staff development within this institution;

- the need to develop the necessary legal framework for the adoption of the ESF on the basis of a national strategy for the development of human resources, which, in turn should be a component of the national development plan;
- the need to ensure that the social partners are very actively involved;
- the need to set up a financial mechanism to deal with the national contribution to the ESF budget; and
- the need to establish an appropriate monitoring system, based on the collection and analysis of data by an adequate information system.

Technical advisory support from the European Training Foundation in addressing all these issues would be welcomed by candidate countries.

6 *Contact details for ESF-related institutions visited in Italy*

Institution	Contact person	Address/Tel/Fax/e-mail
Imprenditorialità giovanile	Ms. P. Boffo	Via Campo nell'Elba, 30 - Roma Tel.: +39 06 883111 - fax.: 8838441 e-mail : ciopgol.it
UCOFPL	Ms. V. Curzi	Tel.: +39 06 46835367 Fax.: 43588545

7 *Relevant ESF documents on Italy available in the European Training Foundation*

■ L'integrazione tra formazione e politiche del lavoro nel Fondo sociale europeo	ISFOL
■ Piano annuale della formazione professionale della Regione Basilicata per il 1999	Regione Basilicata
■ Beyond start-up - Law 44 and the path to consolidation	Imprenditorialità giovanile
■ Fifty ideas for 50 jobs	Imprenditorialità giovanile

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ANNEX

ITALY: STUDY VISIT PROGRAMME

Institutions	Topics presented	Key items	Key speakers
UCOFPL	The European Social Fund in Italy	■ Main field of interventions of the ESF in Italy ■ The priorities for the 2000-2006 planning period ■ The promotion of the ESF in Italy ■ The Community Initiatives ADAPT and EMPLOYMENT ■ The information system of the Community Initiatives	A. Vittore, F. Aloise, C. Pizzuti, A. Crosti, G. Iorio, G. De Gregori, G. Verna
The Ministry of Education	The education system	■ The contribution of the ESF to the reform of the educational system, particularly vocational education and training in Objective 1 regions	Ms. A. Leuzzi
ISFOL	Tasks and operational structure	1. The technical assistance provided by ISFOL to the Ministry of Labour for ESF activities 2. Monitoring and evaluation activities 3. The Community Initiative ADAPT	Ms. C. Montedoro, Mr. Tamborlini, Ms. D'Alessandor, Ms. De Vincenzi,
Department of Training and Employment of the Umbria Region	The experience of the ESF in Italy in non-Objective 1 region	■ The ESF negotiation process at regional and national level	Mr. A. Bruni
Trade Union Confederation	The role of social partners	■ The participation of the social partners in the planning and management of the ESF	Mr. M. Visconti

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Institutions	Topics presented	Key items	Key speakers
The SMEs association	The SMEs and the ESF	■ The importance of the ESF for the development of SMEs	Mr. A. Occhipinti
The vocational school for social services "Isabella Morra"	The ESF and the process of innovation in vocational education and training in Italy	■ The training of teachers with ESF support ■ Technological innovation in vocational education and training ■ The situation of vocational education and training in the region	School Director
The "Nicoletti" company	The ESF as a tool to provide training tailor-made to the needs of the enterprises	■ The Nicoletti case study ■ The importance of linking training to labour market needs	Mr. Nicoletti
The ENAIP Centre	The Centre's experience with the ESF	■ Analysis of innovative case studies in the field of training ■ Training to fight social exclusion	
The Department of Training and Employment of the Basilicata Region	The Department's experience with the ESF	■ The planning and management of the ESF ■ The implementing institutions ■ The evaluation system	Mr. V. Santarsiero, Ms. C. Salvia, Ms. R. Falcitelli
Associazione Casa della Mamma	An experience under the Community programme "NOW"	■ The role of the municipality of Rome in the promotion of the programme ■ Equal opportunities and the labour market	Ms. Cherubini, Ms. S. Costa
Imprenditorialità giovanile s.p.a.	Activities of the company	■ Support to enterprise promotion ■ The role of training and of the ESF in the creation of new enterprises ■ The legislative framework	Ms. P. Boffo, Ms. E. Durante, Ms. S. Esposito, Ms. T. Cerchiello

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North Sea
NETHERLANDS

B.1.7. THE NETHERLANDS

25-28 May 1999

European Training Foundation organisers: *Hanna Autere*
Martha Titelli

STUDY VISIT TO THE NETHERLANDS

1 Background to the study visit

The Dutch Ministry of Social Affairs nominated Mr. Jan Boom (Senior advisor on the ESF at the Central Office of the Employment Service, Arbeidsvoorziening) as the contact person for the organisation of the study visit. Mr. BOOM accompanied the visiting delegation throughout the visit.

2 Participants

The following civil servants took part in the study visit to the Netherlands:

Latvia

- Ms. Dita Traidas, VEDP Agency Director, Ministry of Education and Science
- Ms. Ieva Jaunzeme, Director of Labour Department, Ministry of Welfare
- Ms. Elita Milca, Deputy Director, Budgeting and Finance Dep., Ministry of Welfare
- Ms. Inga Piraga, Chief Economist, Foreign Assistance Programme Coordination Directorate

European Training Foundation

- Ms. Hanna Autere, Programme Manager for Latvia. Contact person with the Dutch national authorities

3 Summary of the study visit: the Dutch ESF model

3.1 ESF mechanisms in the Netherlands

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The Netherlands qualifies for Structural Fund aid under the EU-wide Objectives 3 and 4 and the regional Objectives 1, 2 and 5b. Over the period 1994-1999, the Netherlands has received 1.3 billion Euros in ESF assistance. This represents nearly 62% of total EU Structural Fund aid to the country for this period. The Community Initiatives also make a significant contribution to the Netherlands. This has amounted to 139 million Euros, most of which goes to the Employment and Adapt programmes.

The Ministry of Social Affairs and Employment has overall responsibility for the management and follow-up of ESF actions. The Employment Service, which consists of central and regional boards, is in charge of implementing the ESF programmes under Objectives 1, 2, 3 and 5b. This is a tripartite body made up of ministry officials and representatives from employers' and workers' organisations. A special office has been set up within the Ministry of Social Affairs to implement the Objective 4 Programme. The other Ministries involved in ESF implementation in the Netherlands are Education, Justice and Welfare.

3.2 *Study visit programme*

Please see Annex.

4 *Conclusions and recommendations*

- The objectives of the visit were met. This was due, largely, to the commitment of our host, Mr. Boom, who accompanied the delegation during the entire study visit. The visit differed from the ESF study visits the delegation had participated in previously (to Spain, the UK, Portugal and Finland) as this one focused more on visits to projects. All of the three regional objective areas were visited. It was decided to take this approach because the ESF management structure is very decentralised in the Netherlands.
- The Minister for Social Affairs had delegated the organisation of the study visit to the Employment Service and, at the time of the visit, was on a mission abroad.
- Although a visit to the Ministry of Education, which runs two big ESF programmes, did not take place, contacts will be made with this ministry by Ms. Traidas, the Latvian Ministry of Education SPP-ESF representative. Ms. Traidas suggested that the SPP-ESF money saved on the Dutch preparatory mission could be used to facilitate contacts between the Dutch and Latvian Ministries of Education.
- The time spent moving from one objective area to another was availed of for discussions with Mr. Boom and for finding out about the administrative structure, the involvement of other ministries in the ESF management, financial flow etc.
- A demonstration on the ESF computer planning and monitoring system was added to the programme. This involved a visit to the regional coordinator's office in Flevoland.
- We were told that there was not very much need to train civil servants in ESF matters as most of the staff working on the ESF at national and regional levels had been there since the beginning of the programming period.
- The Dutch authorities advised the Latvians to keep the ESF planning at priority level and to keep planning flexible by refraining from making too many national rules. The importance of integrating the ESF with national policies was stressed. Finally, it was noted that, even though the work involved can be very abstract, it is important to remember the purpose of the ESF is to help the unemployed.

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5 *Overall assessment and lessons learned by the participants*

The following comments on their first impressions were made by the participants during an informal wrap-up session.

- The Netherlands was chosen by the Latvian delegation because of its wealth, its good vocational education and training system and its geographical size. Because it is a prosperous country, participants expected to see creative use being made of ESF funding and this they did.
- The delegation was surprised at the high level of decentralisation and at the fact that only 2-3 people were involved in coordinating the ESF at national level. Their other SPP-ESF study visit was to the UK, which is highly centralised. The delegation, therefore, had seen two extremes. The lesson learnt was that a high level of decentralisation is not possible in Latvia because the regions are not yet organised and will need a lot of support to manage the ESF.
- The number of people who have knowledge about ESF at the national level should not be too small. It is important to disseminate knowledge about the ESF to all civil servants and, in this way, to integrate ESF activities with national policies.
- The information gleaned during the study visit was seen as sufficient and detailed enough for the moment. Initial contacts have been established and the way opened for further communication and exchanges of information.
- Co-financing the ESF is a problem for Latvia. The country will have to reconsider its priorities for co-financing given that employment and human resource development are not top priorities at present. Participants were pleased to learn that the unemployment benefits paid by the state can be counted as co-financing. This will ease the burden of co-financing a little.
- Latvia needs a good financial monitoring system and training in this aspect at local level.

6 *Contact details for ESF-related institutions visited in the Netherlands*

Institution	Contact person	Address/Tel/Fax/e-mail	Role
Arbeids Voorziening	Mr. Jan P. Boom	Utrechtseweg 11 Postbus 2129 3800 CC Amersfoort Tel: 033 464470 Fax: 033 4644099	Advisor on planning and control in the ESF
Arbeids Voorziening Flevoland	Dr. Wymand M.A. Riemslag	Platinastrat 21 Postbus 2051 8203 AB Lelystadt Tel. 0320 - 22 93 02 Fax 0320 - 22 94 99	Regional Director of the Employment Service in an Objective 1 region

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7 *Relevant ESF documents on the Netherlands available in the European Training Foundation*

- Slides of the presentation: ESF-Outline. Arbeidsvoorziening Nederland.
- What are they actually doing with my money? The European Social Fund works for you. By you and for you. Arveids Bureau. European Union. European Social Fund.
- ESF Info Review, N°6/November 1998, Newsletter of the European Social Fund.
- Slides of the presentation: Regional Public Employment Services Flevoland, An Opportunity for Unemployed Job-seekers and Employers by drs. Wynand M.A. Riemslag, Regional Director.
- Tele Werkcentrum, Korte Informatie (ESF Project brochure in Dutch).
- Rivb, Opleidings Centrum, Praktijkscholing als basis voor vakmanschap (ESF Project brochure in Dutch).
- DAF in Action, Magazine for the employees of DAF Trucks N.V.
- The storm surge barrier in the Eastern Scheldt, for safety and environment.

ANNEX

European Training Foundation

Special Preparatory Programme for the European Social Fund (SPP-ESF)

Study visit by Latvian delegation to the Netherlands, 25-28 May 1999-to observe: "How the Netherlands manages the ESF"

Tuesday 25

09:30	Departure to: ARBEIDSVOORZIENING NEDERLAND LOUIS BRAILLELAAN 42 2719 EK ZOETERMEER PHONE +31(0)793601515 (ZAAL 3)

10:00	Meeting: Mr. VAN BAAL, Ministry of Social Affairs and Employment, ESF-manager for the Member State; Mr. SIERS, Central Office of the Employment Service, ESF-manager; Mr. VAN DER PLAS, central ESF-coordinator; and Mr. BOOM, senior advisor ESF.
11:00	Presentation of ESF organisation and its computerised systems.
12:30	Lunch
13:30	Departure to: **REAKT ARBEIDSTRAINING** **TELDERSRODE 25** **2717 HR ZOETERMEER**
14:00	Project-visit Objective 3: Mr. NIEUWENHUYSEN. The project deals with training of mildly mentally handicapped people to work in sheltered employment.
16:00	Departure to **HULST**

Wednesday 26

09:45	Departure to **NECKERMANN** **GESLECHTENDIJK 10** **4564 BP ST. JANSTEEN**
10:00	Project-visit objective 5B: Mr. VAN DER BERG, director; Mr. BOEDING, controller; Ms. VERBURG, director of the Regional Office of the Employment Service. Neckermann is a large distributor of consumer-products. Unemployed farmers, male and female, are being trained to operated its computerised order system.

Thursday 27

09:30	Departure from hotel to **DAF TRUCKS** **H. V.D. GOESLAAN 1** **5643 TW EINDHOVEN**
10:00	Project-visit objective 2: Mr. VAN NULAND, deputy director; Mr. GRIT, head of the training department.
12:15	Lunch
13:15	Departure to **TELEWERKCENTRUM PEEL** **VILTSTRAAT 12** **5761 BR BAKEL**
13:30	Project-visit objective 3: Mr. PAREE, project-leader; and Ms. DE MOL, teacher. This centre is involved in teleworking activities.
16:00	Departure to **LELYSTAD**

Friday 28

10:15	Departure to: **ARBEIDSVOORZIENING FLEVOLAND** **PLATINASTRAAT 21** **8211 AR LELYSTAD**
10:30	Meeting with representatives of the Regional Office of the Employment Service: Mr. W. RIEMSLAG, director; and Mr. P. RUITEN, ESF-coordinator.
	Departure to **BATAVIA WERF** **OOSTVAARDERSDIJK 01-09** **8242 PA LELYSTAD**
11:30	Project-visit Objective 3 (formerly Objective 1): In the Batavia-yard in Lelystad, young people are building a replica of an old wooden ship. This is part of an education project where unemployed people are trained in traditional methods of ship-building, craftsmanship and social accomplishments. The yard has become famous as a tourist attraction. The first ship that the trainees built (the Batavia) is moored to the jetty in front of the yard and will soon be open to visitors. The second ship they are building is a reproduction of the admiralty ship, The Seven Provinces.
13:00	Lunch at the Batavia
14:00	Departure to **TUNER RTTC** **HOUTWIJK 14** **8251 GD DRONTEN**
14:30	Project-visit Objective 1: Mr. A. WILDEBOER, officer at Tuner RTTC. The company delivers testing and training programmes for people who wish to return to the labour-market.

B.1.8 PORTUGAL

Lisbon
1-3 February 1999

Lisbon-Cascais-Sétubal
12-16 April 1999

European Training Foundation organisers: *Milena Corradini*
M. Victoria de Yturriaga

STUDY VISITS TO PORTUGAL

1 Background to the two study visits/ acknowledgements

As was the case with Ireland, a large number of accession countries gave Portugal as one of their two preferences for the study visit component of the SPP-ESF Programme. As a way of meeting the demand, it was arranged that the Bulgarian and Czech delegations attending the Lisbon conference would stay on after the conference had ended for a further three-day study visit to Portugal. A second visit, which was organised as part of the SPP study visit programme, took place in April for representatives from Romania, Slovenia and Estonia. This report deals with both visits, which followed virtually the same programme. The two European Training Foundation officials in charge of the organisation of the visits wish to reiterate their appreciation of the magnificent support given to them by their Portuguese counterparts in the various institutions visited. A special word of thanks is due to the representatives of the IEFP (Institute for Employment and Vocational Training) for organising the visits so efficiently, particularly Mr. F Madelino, Mr. André, Mr. Mourato, Ms. Valadas and Mr.Oliveira

2 Participants in the Study Visits

2.1 Lisbon 1-3 February 1999

Bulgaria

- Mr. Dimitre Matev, Head of International Activities Department, Ministry of Labour and Social Policy
- Mr. Michail Bacharov, Senior Expert, Ministry of Labour and Social Policy
- Ms. Magdalena Ivanova, PMU Director, Ministry of Education and Science

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Czech Republic

- Ms. Miroslava Kopicová, Director, National Training Foundation
- Ms. Marie Šmídová, Ministry of Labour and Social Affairs, European Integration and International Relations Department

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Ms. María Victoria de Yturriaga Saldanha, Project Manager, SPP Programme. Contact person with the Portuguese national authorities.

2.2 Lisbon-Sétubal-Cascais 10-16 April 1999

Estonia

- Ms. Reelika Arro, Senior Specialist, Ministry of Social Affairs
- Ms. Aive Sarjas, Head of Department for Social Development, Ministry of Social Affairs
- Ms. Kaire Sõmer, Expert, Ministry of Education

Romania

- Ms. Gabriel Platon, General Director, Ministry of Labour and Social Protection
- Ms. Madlen Serban, General Director, Ministry of National Education (Vocational Education and Training - PMU)
- Mr. Ana Obrescu, Department of Social Policy, Justice and Home Affairs, Department of European Integration

Slovenia

- Ms. Vanja Hazl, Ministry of Labour, Family and Social Affairs
- Ms. Sabina Melavc, Ministry of Education and Sports
- Mr. Robert Drobniè, Ministry of Labour, Family and Social Affairs

European Training Foundation

- Ms. Milena Corradini, Programme Manager FYM, Romania. Contact person with Portuguese national authorities.

3 Summary of the study visits: the Portuguese ESF model

3.1 Basic facts about the ESF in Portugal

- The allocation to Portugal from the ESF is 31[illegible]6 million Euros, which represents 22.5% of total Structural Funding for Portugal. The whole country is eligible for Objective 1 funding for the 1994-1999 period. Unemployment in Portugal is not very high (7%). The main focus of the ESF is, therefore, improving the skills and qualifications of the labour force, 60% of which has had only four years of primary education. Figures from 1997 show that 280,000 people under 25 year did not have the compulsory school certificate. Compulsory education is for 9 years.

- Enrolment in secondary education is currently in the region of 60% and the objective is to reach 100% by the year 2006.
- ESF funding is very important for Portugal: it provides 56% of total expenditure on vocational education and training; it has been instrumental in the reform of the vocational education and training system; and eight of the fifteen Operational Programmes that make up the Portuguese Community Support Framework are financed from this source.
- The main priorities for ESF funding in Portugal are:
    1. improving the education systems and the quality of basic education;
    2. strengthening scientific and technical training;
    3. promoting vocational education and training within secondary education;
    4. strengthening continuing vocational education and training;
    5. supporting the integration of disadvantaged groups into vocational education and training;
    6. improving employment services;
    7. supporting regional and local development; and
    8. providing aids to employment.

3.2 *The institutional structure of the ESF in Portugal*

The study visits aimed to provide participants with an overview of the entire ESF management and implementation structure in Portugal and its relationship to education, regional development, institution building etc..

To attain this aim, meetings were organised with the following Structural Funds/ESF institutions:

1. the ESF Coordination Unit, which is the direct interlocutor with the EC and responsible for policy guidelines, management and financial issues;
2. DAFSE (the Department of ESF Affairs),which is responsible for overall financial management, information, control and monitoring;
3. DGEFP (Directorate General for Employment and Vocational Education and Training), which is in charge of employment and vocational education and training policies, evaluation and studies;
4. IEFP (the Institute for Employment and Vocational Education and Training), which is main implementing body for employment and vocational education and training policies;
5. the Ministry of Education, which received substantial assistance from the ESF for the reform of the system, in particular of the vocational education and training system, which was practically non-existent before Portugal joined the EU;
6. the Directorate General for Regional Development; and
7. the National Institute of Public Administration.

3.3 *Study visit programme*

Since both visits followed a very similar programme, the following table summarises the second visit, which was for two days longer. The separate agendas for the two visits can be found in the annexes.

Institutions	Themes	Key items	Key speakers
Institute for Employment and Vocational Training	Portugal and the Structural Funds	■ Socio-economic background ■ Employment policy ■ The ESF	Mr. F. Mourato, Mr. S. Grilo, Mr. Jorge Matias
Ministry of Education	The education system	■ Contribution of the ESF to the reform of the educational system, particularly vocational education and training	Mr. D. Fernandes, Mr. A. Palma
ESF coordination unit	Tasks and operational structure	■ The programming cycle ■ The role of the social partners and the financial cycle	Ms. C. Paulo
ESF Affairs Department	The Portuguese experience with the ESF	■ The interface with the ESF Coordination Committee ■ The monitoring and control process	Mr. M. Albino
PESSOA Programme	Objectives and description of the programme	■ Managing the programme ■ Target groups ■ The application process ■ Financial aspects	Mr. F. Gomes
Directorate General for Regional Development	The ERDF in Portugal	■ Working with the ERDF ■ Working with the EU ■ The co-financing of programmes	Ms. F. Magalhaes, Ms. A. Mendonca, Mr. F. Moniz
National Institute of Public Administration (INA)	The process of accession to the EU and the role of public administration	■ The training of civil servants ■ The role of the ESF in the training of civil servants ■ The adoption of the "acquis"	Mr. A. Lucas, Mr. V. Martins, Ms. R. Quelhas

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Institutions	Themes	Key items	Key speakers
Employment Centre in Cascais	Tasks and organisation	■ Description of activities ■ Interface with the social partners and the local community ■ Monitoring and control	Mr. R. Patricio
Vocational Training Centre in Sétubal	Activities of the centre	■ Description of activities ■ Interface with the social partners and the local community ■ Monitoring and control	Mr. F. Oliveria

4 *Conclusions and recommendations*

The objectives were considered to have been met and the participants reached various conclusions.

- Portugal is an Objective 1 country and, when it acceded to the EU, its socio-economic condition and population structure were similar to those of several of the current pre-accession countries.
- Portugal acceded to the European Union fairly recently, so the pre-accession process is still fresh in the memory of those who were involved. On the other hand, enough time has elapsed to start evaluating the impact of accession. For instance, it is interesting to observe that, after 13 years of the introduction of structural policies, the region of Lisbon is to lose its Objective 1 status.
- Portugal has an interesting structure for implementing the ESF. It is particularly interesting to note that, contrary to the general trend towards "regionalisation" in Europe, Portugal voted "no" to the regionalisation of the country in a referendum that took place in November 1998. For ESF purposes, Portugal has some administrative regional boundaries but, in practice, the boundaries are artificial.
- The Portuguese case is of great interest to the partner countries. Six of the ten accession countries asked to go to Portugal for a study visit.

Strengths

All the participants filled in an evaluation report on the study visit and all agreed that the visit exceeded their expectations. This was due, not only to their interest in the Portuguese case, but to the excellent organisation of the visit, the high quality of speakers and the friendly and hospitable atmosphere. The fact that most of the speakers could speak excellent English allowed them establish a direct dialogue with the participants. It is also important to mention the quality and quantity of material distributed to the participants, which was also in English.

5 *Overall assessment and lessons learnt by the participants*

The Romanian delegation submitted the following observations on the main lessons learnt during their trip to Portugal:

- actions such as PESSOA, PRODEP and PRAXIS XXI supported the achievement of the education goals and the setting up of vocational schools;

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- the ESF was structured on four axes - human resource development and employment, improvement of competitiveness, improvement of the quality of life and social cohesion and strengthening the regional economic programmes;
- seventy per cent of ESF funds were dedicated to the first axis;
- the National Institute for Public Administration is one of the providers of training in public administration for civil servants;
- the Structural Funds can best contribute to successful development if there is complementarity in the use of the different Funds and additionality with expenditure from the national budget;
- the Portuguese strategy included multiple interventions along axes determined by economic domain and established at national level to ensure the fulfilment of strategic national priorities; and
- local authorities, after consultation with the social partners, decide on their development strategies and the regional council approves them.

Seventy per cent of vocational training is supported by the Structural Funds. Twenty-five per cent of this funds for training are spent on innovation and 75% on actual training programmes.

Finally, during the wrap-up session, participants concluded that the Portuguese experience of the ESF could provide them with important inputs in terms of the following needs:

- the need for a clear definition of the national institution which is going to be responsible for the ESF;
- the need to equip this institution with the necessary qualified staff to deal with the ESF;
- the need for staff development within this institution;
- the need to develop the necessary legal framework for the adoption of the ESF on the basis of a national strategy for the development of human resources, which, in turn should be a component of the national development plan;
- the need to ensure that the social partners are actively involved;
- the need to set up a financial mechanism to deal with the national contribution to the ESF budget; and
- the need to establish an appropriate monitoring system, based on the collection and analysis of data by an adequate information system.

Technical advisory support from the European Training Foundation in addressing all these issues would be welcomed by candidate countries.

6 *Contact details of ESF-related institutions visited in Portugal*

Institution	Contact person	Responsibility	Address/Tel/Fax/e-mail
Institute for Employment and Vocational Training (IEFP)	Mr. Stevao André Ms. E. Valadas	Head of Unit *Técnico Superior*	Av. José Malhoa, 11 1099-018 LISBOA Tel : +351 1 7227246 Fax : +351 1 7227012 e-mail : eandre @mail.iefp.pt evangelina.valadas @mail.iefp.pt

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Institution	Contact person	Responsibility	Address/Tel/Fax/e-mail
PESSOA Programme	Mr. Jose Frias Gomes		Ministry of Employment and Solidarity Av. José Malhoa, 11 1099-018 LISBOA Tel : +351 1 7227000 Fax : +351 1 7227011 e-mail:jose.gomes@mail.iefp.pt
ESF coordination unit	Ms. Cristina Paulo	Coordinator	Av. Da República, 90-2° Esq. Lisboa Tel : +351 1 7957081 Fax : +351 1 7957648
Departement for Secondary Education	Mr. Antonio Palma	*Técnico Superior*	Av. 24 de Julho,138 LISBOA
DAFSE	Mr. Melo Albino Ms. Maria Joao Lourenço	Director General Deputy Director General	Av. Almirante Reis, 72-6° 1150 LISBOA Tel : +351 1 8149389 Fax : +351 1 8120063
Directorate General for Regional Development	Mr. Fernando Moniz	Head of Unit	Rua S. Julião, 63 1100 LISBOA Tel : +351 1 8814000 Fax : +351 1 8881111
National Institute of Administration (INA)	Rui Alfonso Lucas	Vice-President of INA	Palacio dos Marqueses de Pombal 2780 OEIRAS Tel : +351 1 4413231 Fax : +351 1 4411050 e-mail : ina.lucas @ mail.telepac.pt

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7 Selected ESF Documents on Portugal available in the European Training Foundation

- The European Social Fund in Human Resource Development in Portugal, Work and Solidarity Ministry/ ESF Coordination Committee, 1998
- FSE em Portugal: pessoas e números, Departamento para os Assuntos do Fundo Social Europeu (DAFSE), 1998
- The ESF System in Portugal (DAFSE), 1999
- Portuguese Community Support Framework 1994-99
- The Cohesion Fund in Portugal, Directorate General for Regional Development
- Regolamento de Gestao Programa Operacional PESSOA, CE/PESSOA
- Mid-Term Evaluation PESSOA Programme, Instituto de Estudios Sociais e Economicos/ESF Coordination Committee, 1997
- Develop, Consolidate, Guide: A Guidance Document on Secondary Education Policies, Ministry of Education, 1997
- Comprehensive Law on the Education System Law 46/86, Ministry of Education, 1987
- Portugal: Education and Vocational Training System, Leonardo da Vinci Coordination Unit, 1996
- Vocational Training in Portugal, IEFP
- Vocational Training Policy Agreement, Permanent Council for Social Conciliation, 1991
- Vocational Training and Employment Operational Programme, PESSOA: Main Objectives & Measures, Ministry of Labour 1999
- National Plan for Employment. Instituto do Emprego e Formaçao Profissional (IEFP), 1998
- Employment Programmes, Measures and Provisions Currently Being Implemented (IEFP)
- The Social Employment Market: Combined Action and Shared Responsibilities (IEFP)
- Apprentisage: Formation Professional en Alternance pour les Jeunes. (IEFP), 1997
- Moves Directed Towards Disadvantaged Groups, (IEFP)
- How to Look for Work: a Practical Guide, (IEFP), 1996
- The IEFP's Operating Centres, (IEFP)
- Initial Training of Trainers, (IEFP)
- Training for Accession to the European Union. Rui Alfonso Lucas, National Institute of Administration (INA), 1995
- INA Training Programme 1998

Programme for the Study Visit of Civil Servants from Bulgaria and the Czech Republic on the theme "Introduction to the European Social Fund"

Lisbon , 1-3 February 1999

AGENDA

DATE	TIME	PROGRAMME	SPEAKERS
1/2/99			
IEFP	9.00-10.00	▪ Reception of participants/general overview of the programme ▪ Introduction to the IEFP	IEFP Communications Office Mr. Mourato (Coordinator) Ms. Evangelina Valadas *(Tecnico Superior)*
	10.00-13.00	▪ The Education System in Portugal - Ministry of Education, Department for Secondary Education ▪ The Employment and Vocational Training System in Portugal (IEFP -Department of Employment and Department for Vocational Training)	Ministry of Education Mr.António Palma *(Tecnico Superior)*
	13.00-15.00	**Lunch**	
ESF Coordination Unit	15.00-17.30	**Meeting with the ESF Coordination Committee:** ▪ Coordination with the EU ▪ Coordination with the Department for ESF Affairs (DAFSE) ▪ Community Programmes and Initiatives, their evaluation, programming cycle and co-financing ▪ Monitoring and Evaluation,	Ms. Maria do Carmo Abreu (Coordinator) Ms. Cristina Paulo (Coordinator)

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DATE	TIME	PROGRAMME	SPEAKERS
2/2/99			
DAFSE	9.30-13.00	**Meeting with the DAFSE** ■ The Portuguese experience within the ESF ■ Coordination with the EU ■ Coordination with the Coordination Committee and other bodies ■ Liaison with ESF coordination ■ Financial aspects	Mr. Melo Albino Director General Ms. Maria Joao Lourenço Deputy Director General
	13.00-15.00	**Lunch**	
IEFP- PESSPE PESSOA	15.00-18.00	**IEFP- PESSOA Programme** ■ Management of the Programme ■ Target populations and application process ■ Financial aspects	Mr. Frias Gomes (Head of Unit)
3/2/99			
Directorate General for Regional Development	9.30-13.00	**Meeting with the Directorate General for Regional Development** ■ Coordination with the EU ■ ERDF management ■ Co-financing the Community Programmes ■ Coordination with the other bodies	Mr. Fernando Moniz (Head of Unit)
	13.00-15.00	**Lunch**	
INA	15.00-18.00	**Meeting with the National Institute for Administration (INA)** ■ Role of the national administration in accession to the European Union	Mr. Rui Alfonso Lucas (Vice-President) Mr.Victor Martins Former Secretary of State for Europen Affairs Ms. Regina Quelhas Lima (Deputy Secretary of State for European Affairs

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ANNEX 1B

Programme for the Study Visit of Civil Servant from the Ministries of Labour and Education, Romania, Slovenia and Estonia on the theme "Introduction to the European Social Fund"

Lisbon , 12-16 April 1999

AGENDA

DATE	TIME	ACTIVITY	Location
12/4/99	9.00-10.00	**IEFP Presentation – Communications Office – International and Community Affairs Department** ▪ Welcome to the participants/Overview of the programme	IEFP
	10.00-13.00	▪ Overview of the economic, social and political context – macro-economic key points **IEFP Presentation – Labour Department** ▪ The labour system in Portugal and the new labour policy with regard to the "Labour National Plan" **IEFP Presentation – Training Department** ▪ Training in Portugal	
12/4/99	13.00-15.00	**Lunch**	
	15.00-17.30	**Ministry of Education Presentation - Secondary Education** ▪ The education system in Portugal ▪ National priorities and development ▪ Relationship between the reform of the education system and the ESF ▪ Involvement of the social partners in the education system	Department of Secondary Education

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DATE	TIME	ACTIVITY	Location
13/4/99	9.30-13.00	**ESF Presentation – Coordination Department** ■ Liaison with the EU ■ European initiatives, evaluation, programming and co-funding process	
13/4/99	15.00-17.30	**Presentation of the ESF Affairs Department** ■ The Portuguese experience with the ESF ■ Liaison with ESF coordination ■ Programming, evaluation and monitoring ■ Financial aspects ■ Control ■ ESF Reform/Agenda 2000	ESF Coordination Unit
14/4/99	9.30-12.30	**Presentation of the PESSOA Programme** ■ Management of the programme ■ Public goals/Application process ■ Financial aspects	IEFP
14/4/99	13.00-15.00	**Lunch**	
	15.00-17.30	Presentation of the Directorate General for Regional Development ■ The ERDF in Portugal ■ Liaison with the EU ■ Co-funding of the programmes	Directorate General for Regional Development
15/4/99	9.30-12.30	**Presentation of the National Institute for Administration** ■ The role of the national administration in accession to the EU ■ Training of the national administration employees in the accession context	INA, OEIRAS
15/4/99	13.00-15.00	**Lunch**	
	15.00-17.00	**Visit to the Labour Centre** ■ General information on the role of the Labour Centres ■ The role of the Centre in the ESF context	CASCAIS
16/4/99	10.00-13.00	**Visit to a Training Centre**	SETÚBAL
		Final Evaluation	
		Lunch	
		Free afternoon	

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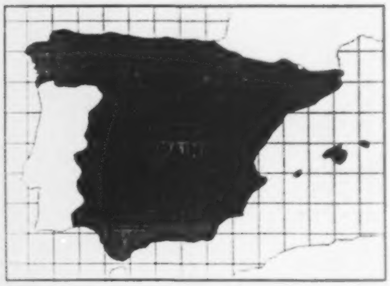

B.1.9 SPAIN

Madrid-Andalusia
22-26 March 1999

European Training Foundation organiser: *M. Victoria de Yturriaga*

STUDY VISIT TO SPAIN

1 Background to the study visit/acknowledgements

A considerable number of government bodies at national and regional levels were involved in organising and preparing the study visit to Spain. Overall coordination of the visit was undertaken by the Foundation. We would like to express our gratitude to the Spanish civil servants we met during the study visit for their warm welcome and support and for the financial contribution made by the Spanish national/regional authorities. Special acknowledgements should go to:

- Ms. Rosario Marcotegui, ESF Mission, Ministry of Labour, Madrid
- Ms. Rosario Martín Herranz, Ministry of Labour, Madrid and member the European Training Foundation Governing Board
- Mr. Henryk Ziniewick, INEM (Instituto Nacional de Empleo), Madrid
- Mr. José Antonio González, ESF Division, Ministry of Education
- Ms. Maria José Munozguren Ministry of Education, Madrid and member the European Training Foundation Governing Board
- Mr. Antonio Toro and Ms. Esperanza Perea, Consejería de Trabajo e Industria, Junta de Andalucía
- Mr. Manuel Alcaide, Consejería de Educación, Junta de Andalucía

2 Participants

Bulgaria

- Mr. Dimitre Matev, Head of International Activities Department, Ministry of Labour and Social Policy
- Mr. Michail Bacharov, Senior Expert, Ministry of Labour and Social Policy
- Ms. Magdalena Ivanova, PMU Director, Ministry of Education and Science

Poland

- Mr. Michal Kubisz, Director, Department for Regional and Structural Policy, Ministry of Labour and Social Policy

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- Ms. Irena Wolinska, Director, Department of Labour Market Policy
- Ms. Ewa Tyc-Lemieszek, Manager of the Education for the Labour Market Unit, Ministry of National Education

European Training Foundation

- Ms. María Victoria de Yturriaga Saldanha, Project Manager, SPP Programme, Contact person with the Spanish national authorities
- Ms. Joanna Anstey, Deputy Head, Information and Publications Department

3 Summary of the study visit: the Spanish ESF model

3.1 Spain as an ESF case study for partner countries

Spain is an interesting country to study in the ESF context for a number of reasons.

- Spain has undergone major socio-economic transformation and territorial reform over the past 20 years and its administration has evolved from a highly centralised system to a highly decentralised structure. This change has involved a significant transfer of competencies from the central to the regional authorities ("autonomías"). This process is still underway.
- The Spanish commitment to Economic and Monetary Union (EMU) throughout the 1990s obliged the country to concentrate on the correction of serious macro-economic imbalances. The result of these efforts is that Spain is today part of the EMU and the country is sufficiently stable to continue reducing these imbalances through the implementation of policies based on a new growth model capable of enhancing economic capacity and job creation. The implementation of structural policies in Spain over the last 30 years and the support received from European Union Structural Funds have had a decisive impact in this process.
- The combination of profound structural change, in a period of global economic growth and unprecedented political stability, made Spain one of the best performing economies in the early 1980s. During this period, the country experienced economic growth and increased prosperity which boosted the transition process to democracy. The country's entry into the European Union (1986) aided the whole process and was considered by some political observers as the end of forty years of "unnatural" economic and political isolation from the rest of Western Europe.
- In some respects, the Spanish experience has some features in common with that of the partner countries in Central and Eastern Europe. Poland, for instance, has recently undergone extensive territorial and administrative reform. This was very similar to the Spanish reform except that, in the case of Poland, the implementation of the reform was automatic and occurred over a shorter period of time. Problems such as the mechanisms and means of transfering competencies from national to regional administrations, and the difficulties that this caused in the management of the Structural Funds, were particularly relevant to Polish officials visiting Spain. The recent reform of the Spanish education and training system, which was, partly, a response to the seriousness of the unemployment problem, is also a very interesting case study.

3.2 Spanish labour market trends and the National Employment Plan

- Over the past twenty years, there have been ups and downs in economic trends in Spain and this has been very much in line with global patterns. Employment trends, on the other hand, went steadily downwards. Independently of economic indicators, the unemployment rate in Spain continued to soar dramatically and, in 1994, reached a peak of 24.3%, the highest in the European

Union and double the EU average. Behind these unfavourable figures lay a massive lack of skilled workers to fill new openings in the labour market. This is a chronic problem in Spain and has given rise to serious economic imbalances which have reached alarming proportion in its least prosperous (often remote) regions.

- Because of the adverse employment situation, fighting unemployment has been a top priority for successive governments in recent years and the ESF has provided key support in this regard. The 1998 Spanish National Employment Plan is aimed at addressing the problem and the objectives and measures that it puts forward are underpinned by the support the country receives through the ESF. It is worth noting that, in terms of ESF funding, Spain receives the highest allocation of all Member States (8,540 million Euros) and that INEM (Spain's National Employment Agency) alone is by far the largest beneficiary of ESF funding in the Union.
- In its plans to improve the employment situation, the Spanish government has identified a number of priorities, the most significant of which are presented here.
- One priority is to complete the implementation of the reform of the Spanish education and training system, which aims to rectify current inadequacies in the provision of vocational training and the lack of adjustment of universities to the potential of the productive system. A key feature in this area is the new National Vocational Training Programme, which is being developed by the General Council for Vocational Training in cooperation with the Autonomous Communities and the social partners
- The continuation of the social dialogue remains a key feature in the transformation process, particularly in view of the National Agreement, which was signed by trade unions and employers in 1997, and the strengthening of institutional dialogue among the Autonomous Communities.
- Another priority is the decentralisation of education and training policy from the central government to the Autonomous Communities, which should allow for greater focus on the specific needs of each region. In the employment field, for instance, it is expected that, by the end of 1999, all competencies regarding active employment measures will have been transferred from the National Employment Agency (INEM) to the Autonomous Communities. The reform also provides for a radical transformation of the INEM.
- It is worth noting that, although Spain still has a long way to attain its objectives in terms of employment, i.e. reaching the levels of the EU Member States with the lowest unemployment rates, the latest figures show that, in 1997, the unemployment dropped to 20.3% (1.5% less than the previous year). In effect, employment increased by 3% in that year alone and this was the highest rate of employment creation in the EU.

3.3 Basic facts about the ESF in Spain

Eligibility

Spain qualifies for Structural Fund Assistance under Objectives 1, 2 and 5b. Seventy-seven per cent the national territory and 59.4% of the total population are in Objective 1 regions. Spain is the largest net beneficiary of ESF funding and receives 9 billion Euros or 27% of the total budget.

Programming

Two approaches have been adopted by the Spanish authorities: Community Support Frameworks with their respective Operational Programmes for Objectives 1, 2 and 3; and Single Programming Documents for Objectives 4 and 5b. In addition, there are Operational Programmes for the various Community Initiatives. The following table summarises the distribution of funds in Spain.

Objective	Territory	Structural Fund Allocation 94-99	Objectives
Objective 1 **Development of least prosperous regions**	12 Regions 77% of the territory 59.4% of the population (including Andalusia)	6 million Euros (23% of total Structural Funds 71% of total ESF)	■ Strengthening of technical and vocational education and training and continuing vocational education and training ■ Integration of job seekers (the unemployed and disadvantaged) ■ Human resource development in R&TD, Science, Innovation and the Environment)
Objective 2 **Restructuring of regions affected by industrial decline**	Areas encompassing 7 regions 20.3% of the population 15.3% of the ESF managed at national level and 84.7% regionally	2,615 million Euros 612 million Euros for ESF (23% of total Structural Funds for Spain)	■ ·Support to SMEs ■ Workers threatened with redundancy and the unemployed ■ Human resource development in R&TD, Science, Innovation and the Environment)
Objective 5b **Rural** **Development**	7 multi-funded Single Programme Documents for 7 regions 6% of the population	664 million Euros (14% from ESF)	■ Priority sectors: agri-food, forestry, transport, tourism ■ Training in R&TD, Innovation and New Technology
Employment **Community** **Initiatives**	NOW, HORIZON, YOUTHSTART, INTEGRA (ESF 411 million Euros)		
Other Community Initiatives	Interreg, Konver, Leader, Pesca, Rechar, Regis, Resider, SME, Urban (ESF 69 million Euros)		

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Legal Framework

Over the last few years, Spain has created a new legal framework and key tools to improve its vocational and educational training system. These initiatives include:

1. the Organic Law on the General Education System, 1/1990 (Logse);
2. the National Programme for Vocational Education and Training, 3/3/93;
3. the National Agreement on Continuing Education, 16/12/92 and the Agreement on Continuing Education of Employed Workers between Government and Employers; and
4. PLANFIP, a national programme for the vocational training and occupational integration of the unemployed, implemented by the Ministry of Labour and INEM.

ESF implementing bodies in Spain

The National Administration

1. The Ministry of Labour is responsible for: overall management and coordination of ESF operations; overall monitoring, evaluation and financial control; and vocational training and aids to employment measures across ESF programmes.
2. The Ministry of Education (328 million Euro*) is responsible for education reform and for vocational training for young people, adults and first-time job seekers without qualifications.
3. INEM (the National Institute of Employment (614 million Euro*) is responsible, mainly, for PLANFIP (the National Plan for Vocational Training) and for aids to employment.
4. FORCEM (Foundation for Continuing Education) deals only with Objective 4.
5. Other sectoral Ministries in cooperation with the autonomous regions.

Regional and other levels of administration

1. Seventeen autonomous regions receive 33.9 million Euro* or 25% of the total national ESF allocation.
2. Local and university administrations receive 90 million Euro*.
    - Monitoring Committees have been set up within each of the Objective areas.

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* Figures in EURO refer to the allocation received in the programming period 1994-99

3.4 *Content of the visit*

Institution	Topics presented	Key speakers	Comments
INEM (National Institute for Employment)	■ The evolution of Spain within the EU: socio-economic parameters ■ Action Plan for Employment of the Kingdom of Spain ■ New National Plan for the Vocational Training System ■ Spanish national plan for continuous training: a tripartite agreement ■ National Apprenticeship Sub-programme: "escuelas taller"	**INEM** ■ Mr. Pedro Sorici Pages, Head of Studies Division ■ Ms. Amelia Serrano Pérez, Directorate General for Employment Creation ■ Mr. Joan Bonet Tomás, Ms. M.Luisa Casado López (Directorate General for Vocational Training) **FORCEM** ■ Ms. Inés Domínguez, Communications Office ■ Mr. Ricardo Guisado Urbano, Head of International Relations ■ Mr. José Luis Luján Fernández, Head of Unit for the monitoring of *Escuelas Taller y Casas de Oficios*	■ INEM is an "administrative giant" in terms of staff and of the large number of ESF-funded actions it runs. ■ It is currently undergoing fundamental changes due to a massive transfer of competencies in employment to the autonomous regions. ■ It will be very interesting to see what becomes of INEM when the reform is completed. ■ Issues of interest: 1. INEM proceedings for transfer of competencies to regions; 2. future relations between INEM and its counterparts at regional level; 3. aids to employment initiatives; and 4. the drawing up of the Spanish National Plan for Employment ■ FORCEM: very interesting, recent national agreements with the social partners.
Regional Employment Agency, Region of Madrid	■ Transfer of competencies to the regional authorities ■ The Regional Observatory ■ Relations with Central Employment Services	■ Ms. María del Rosario Rey García, Manager ■ Ms. Asunción Guardo, Head of Unit for *Spatial Planning*	■ Interesting example of transferred competencies in the field of employment to an autonomous region

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Institution	Topics presented	Key speakers	Comments
UAFSE (Coordination Unit for the European Social Fund)	- Structure of UAFSE - Operational mechanisms of the ESF in Spain - Programme Implementation and administrative procedures: Community Support Frameworks, Single Programming Documents and Operational Programme, Monitoring and evaluation - Certification and Payments - The Control System - Community Initiatives	- Francisco Villar, Deputy Director - Angel Rodrigo Bravo, Head of Unit - Rosa María Marina Moneo, Head of Unit - Luis Sanz Lucía, Counsellor Objective 1 Regions - Felipe Manso Iníguez, Counsellor Non-Objective 1 Regions - Rafael López Nieto, Counsellor, Community Initiatives - Cristina Sacristán Pérez Head of Unit	- Points of particular interest: all issues regarding ESF implementation in Spain and Community Initiatives
Ministry of Education	- Overview of the Spanish education system - Initial training, curriculum design, teacher training, relationships between enterprises and training centres etc.		- Points of particular interest: 1. Reform of the Spanish Education and Training System 2. Transfer of educational competencies to the regions 3. ESF-funded projects run by the Ministry
College of Tourism **(Madrid)**	- Visit to the centre - Importance of the tourism sector for the Spanish economy - Training provisions for tourism		- Interesting centre with possibilities for exchanges with other colleges/institutes working in field of tourism. Member of the Association of European Hotel and Tourism Schools. - A leading centre of its kind in Europe, offering very interesting curricula and degrees recognised by the Spanish National University - Runs ESF-funded courses

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Institution	Topics presented	Key speakers	Comments
Department of Training and Employment **(Andalusian Region)**	■ Decentralisation of competencies in education and training and active employment policies to the Andalusian region ■ Resources and programmes run by the Junta in the field of vocational education and training and employment policies ■ ESF Andalusia: Relations with the Ministry of Labour (UAFSE) ■ Relations with other socio-economic agents (trade unions and employers) ■ Labour Market Analysis Services, Andalusia ■ Operational Programme of Andalusia for Human Resource Development ■ Community Initiatives run by the Junta in the areas of education and employment	■ Mr. Antonio Toro Barba, General Director for Vocational Training and Employment ■ Ms. Carmen Pérez Riu, Head of Coordination Unit ■ Ms. Esperanza Perea Acosta, Head of Analysis and Programming Unit ■ Mr. Francisco Lama García, Head of Employment Promotion ■ Mr. Alonso Solís Franco, Head of Department for Occupational Training Services ■ Ms. Pilar Pantoja Guerrero, Head of Department for Programming of the Analysis and Programming Unit	■ The Junta is very keen to promote these kind of exchanges ■ Points of interest: ■ Relations with Madrid - negotiations on the transfer of competencies and co-implementation of ESF-funded initiatives; ■ Human Resources Development Plan for Andalusia and employment actions run by the Junta

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Institution	Topics presented	Key speakers	Comments
School of Arts and Crafts **(Gelves)**	ESF success story at regional level. ■ Impact on the local community in terms of employment creation ■ Involvement of the social partners and of entrepreneurs ■ Support for disadvantaged youth ■ Innovation		■ Created with ESF support, this is a very interesting initiative which has involved a whole local community within the region. ■ The school was set up as an occupational information centre and aim to recover the strong artisan traditions of the region. ■ It has developed specific training courses in various crafts and continues expanding. ■ An important feature is the involvement of the productive actors of the area and the local authorities with excellent results.
Department of Education and Science **(Andalusian Region)**	■ Educational competencies of regional authorities of Andalucía in initial vocational education and training	■ Mr. Alcaide Calderón, Deputy Director General	■ Similar areas of interest as in the visit to the Consejería de Trabajo ■ The highest-ranking official in the field of education and employment (the equivalent of the minister at regional level) met the delegation.

4 *Conclusions and recommendations*

4.1 *Conclusions*

- The visit proved to be an extremely interesting learning experience. A single coordinating body on the Spanish side would have made the organisation easier.
- Participants were given a broad overview of the operation and administration of the ESF in Spain at national and regional level. It also brought to light the particular difficulties involved in implementing the ESF for a public administration. These include: complying with ESF regulations; planning and negotiating processes between governments and the European Union; conflicts of competencies between national and regional administrations; problems arising from staff shortages; specific training needs of administrators etc. These issues generated animated discussion among the participants.
- The Polish delegation requested the European Training Foundation to organise the SPP supplementary seminar as soon as possible.

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4.2 Recommendations

The candidate countries

- Poland seems to be well advanced in its preparation for implementing national level ESF-type actions. There seems to be good dialogue among the ministries involved and a lot of interest in progressing as quickly as possible. The Polish national authorities have already started to organise training seminars at local and regional levels. This should be a good preparation for coming SPP events to be held in this country.
- Bulgaria is going ahead with setting up new administrative structures to adapt to the changes that will be required for the introduction of ESF-type operations. Some outside support in the area of inter-ministerial cooperation would be advisable. It would be also of added value to involve the Bulgarian National Observatory more fully in future training events, not only for organisational purposes but also in content-related issues.

The SPP programme

- The added value of the study visits to the European Union is, no doubt, very high and initiatives of this kind should be supported by the SPP programme and its successors so that a greater range of civil servants can be involved. The selection of officials for training should also be carefully monitored.
- In planning future exchanges with various EU country administrations, it would be very useful to include funding provision for interpretation. Even though Spain is an interesting example to study, the limitation of having English as a working language caused some difficulties. The more senior Spanish civil servants that contributed to the study programme were often French speakers or had difficulty communicating in a foreign language. People at more operational levels, who are the main targets of these exchanges, are even less well acquainted with foreign languages. This is the case in several other EU Member States. This also underlines the importance of providing language courses for public officials in accession and EU countries alike.

5 Overall assessment and lessons learnt by participants

- The Polish participants were satisfied with the agenda and the information provided by the organisations and agencies they visited. They were particularly keen to examine the challenges and difficulties the Spanish administration encountered in decentralising competencies from central to regional bodies on the ground, as well as the effects these had on setting up an ESF operational structure for the country. Poland is currently undergoing a similar administrative reform and the Spanish experience was very relevant to them.
- The Bulgarian delegation found that the Spanish experience was less relevant to its own national situation than the previous study visit to Portugal. However, delegates found it very interesting to learn about ESF implementation at regional level and about the whole process of transfer of national competencies to the regional administrations. The representative of the Ministry of Education, Ms. Ivanova, was particularly interested in the prominent role played by the Spanish Ministry of Education in the administration of ESF-funded programmes.

6 *Contact details of key institutions visited in Spain*

Institution	Contact person	Address/Tel/Fax/e-mail
ESF Coordination Unit **Ministry of Labour**	Ms. Rosario Marcotegui Mr. Francisco Villar,	Ministerio de Trabajo y Asuntos Sociales Dirección General de Empleo Unidad Administradora del Fondo Social Europeo C/ Pío Baroja,6 E-28009 Madrid Tel.: +34-91-4090941 Fax.: +34-91-5741601
Ministry of Education	Mr. José Antonio González	Ministerio de Educación Subdirección General de Formación Profesional y Reglada C/ Argumosa, 43 Madrid Tel.: +34-91-5065553 Fax.: +34-91-5065717
INEM (National Institute for Employment)	Mr. Henryk Ziniewick	INEM C/ Condesa de Venadito, 9 Madrid 28027 Tel.: +34-91-5859577 Fax.: +34-91-5859843
Regional Employment Agency, Autonomous Region of Madrid	Ms. Rosario Rey García	Agencia para el Empleo Región Autónoma de Madrid C/ Lusitana 21 28025 Madrid Tel.: +34-91-5809716/ 5805433 Fax.: +34-91-5805469
Foundation for Continuous Vocational Education (FORCEM)	Mr. Ricardo Guisado Urbano Head of International Relations	Fundación para la Formación Contínua FORCEM C/ Albacete, 5 7° E-28027 Madrid Tel.: +34-91-7227082 Fax.: +34-91-4054603

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Institution	Contact person	Address/Tel/Fax/e-mail
Training centre of the College of Tourism		Escuela Superior de Hostelería y Turismo Avda del Angel, s/n Casa de campo E-028011 Madrid Tel.: +34-91-4631100 Fax.: +34-91-4631251
Directorate General for Labour & Industry **Department for Training & Employment** **Autonomous Region of Andalusia**	Ms. Esperanza Perea Head of Unit	Dirección General de Formación Profesional y Empleo Consejería de Trabajo e Industria Junta de Andalucía Avda. Héroes de Toledo, 14 E-41071 Sevilla Tel.: +34-95-455 5301-02 Fax.: +34-95-4555584
Directorate General for Vocational Training **Department for Education and Science** **Autonomous Region of Andalusia**	Mr. Alcaide Calderón, Deputy Director General	Subdirección General de Formación Profesional Consejería de Educación y Ciencia Junta de Andalucía Ed Torretriana, Av. Juan de Vizarrón E-41092 Sevilla Tel.: +34-95-4464781 Fax.: +34-95-4464866
Gelves School of Arts and Crafts		Escuela de Artesanos de Gelves Prado del Canuelo s/n E-4112 Sevilla Tel.: +34-95-5760536 Fax.: +34-95-5760632

7 *Selected ESF Documents on Spain available in the European Training Foundation*

- The Structural Funds and the Development of the Spanish Regions, 1994-99, EC, DG XVI
- Fondo Social Europeo: Normativa, Unidad Administradora del FSE, 1989
- El Fondo Social Europeo, Guía del Usuario, Ministerio de Trabajo y de Seguridad Social, 1995
- El Fondo Social Europeo dentro del Marco de los Fondos Estructurales, IX Jornadas Técnicas del Observatorio Ocupacional Oviedo, 1998

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- The ESF in Spain (leaflet), European Commission 1997
- Spain - Community Support Framework 1994-99 Objective 3, European Commission
- Spain/ Community Support Framework 1994-99 Objective 4, European Commission
- Plan de Acción para el Empleo del Reino de Espana, 1998
- El Fomento del Empleo: la Formación Profesional Ocupacional y la Formación de la Mujer, Junta de Andalucía/FSE, 1995
- Labour guide, Ministerio de Trabajo y Seguridad Social, 1993
- Information dossier: Agencia para el Empleo, Consejería de Economía y Empleo, Comunidad de Madrid
- Pacto por el Empleo de Andalucía, Junta de Andalucía, 1997
- Ley Orgánica de Ordenación General del Sistema Educativo, Boletín Oficial del Estado (§1/1990 del 3/10)
- Educational report 1996, Ministry of Education and Culture, 1996
- Plan de reforma de la Formación Profesional. Ministerio de Educación y Ciencia, 1992
- Nuevo Programa Nacional de Formación Profesional, Consejo General de Formación Profesional/ FSE, 1998
- Informe sobre la Implantación de la Formación Profesional Específica en Centros Públicos, Ministerio de Educación y Ciencia/FSE, 1998
- El Tren de la Formación, Agencia Regional de Formación, Principado de Asturias, 1998
- Escuelas Taller y Casas de Oficios 1997, Ministry of Labour, INEM, FSE
- Documentación para la visita al INEM de las Delegaciones de Bulgaria y Polonia dentro del Marco del Programa Comunitario Phare/ SPP-ESF), INEM 1999/ Large dossier containing information on the Spanish labour market and the legal and institutional framework
- Servicio Público de Empleo: Perfil del Usuario, INEM, 1998
- Empleo y Paro Registrado en 1998, INEM, 1999
- Resumen Mensual de Datos Básicos, diciembre 1998, INEM
- FORCEM y el Sistema de Formación Continua, FORCEM (copy of slides)
- The Basic Agreement on Vocational Training Policy
- The Second National Continuous Training Agreement
- Tripartite Agreement on Vocational Training, FORCEM 1997-2000
- Second Round of Agreements on Continuous Training, FORCEM, 1997-2000
- II Acuerdos de Formación Continua: Acuerdos de Futuro, FORCEM, 1998
- YOUTHSTART Community Initiative, Employment, Spain, UAFSE
- ADAPT, UAFSE
- Pacto por el Empleo de Andalucía, Junta de Andalucía, 1997
- FSE Dossier Junta de Andalucía (Legislative framework for education and training in the Autonomous Region of Andalusia), Junta de Andalucía, 1999
- La Formación Profesional Específica en Andalucía, Consejeria de Educación y Ciencia, Junta de Andalucía, §1/190

ANNEX

SPP-ESF STUDY VISIT SPAIN
Madrid-Seville 21-28 March 1999

Day	Programme	Time	Agenda
22/3 **Monday**	Visit to the INEM (National Institute of Employment)	9.30-10.15	■ Welcome: presentation of INEM
		10.15-11.00	■ Spain's place in the EU: evolution since entry into the EU: socio-economic parameters ■ Action Plan for Employment of the Kingdom of Spain: how the plan is prepared
		11.00-11.15	Coffee
		11.15-13.55	■ Reform of the vocational training system: characteristics, technical aspects and methodology ■ National plan for continuous training (FORCEM): tripartite agreement
		14.00-15.30	Lunch hosted by the INEM
		15.30-16.15	■ National Apprenticeship Sub-programme: "escuelas taller"
	Regional Employment Agency	16.20	Transfer to Regional Employment Agency, of Region of Madrid
		17.00-18.45	**Themes** ■ Transfer of competencies to the regional authorities ■ The Regional Observatory ■ Relations with the Central Employment Services
		21.00	Dinner with the two Spanish members of the Governing Board of the European Training Foundation

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23/3 **Tuesday**	UAFSE (ESF Coordination Unit, Ministry of Labour)	9.00-09.30	■ Structure of the ESF Coordination Unit
		9.30-10.30	■ The ESF in Spain
		10.30-11.00	Coffee
		11.00-12.00	■ Implementation procedures: Community Support Frameworks, Single Programme Documents and Operational Programmes
		12.00-13.00	■ Certification and payments
		13.00-13.30	■ The control system
		13.30-15.00	Lunch hosted by the UAFSE
		15.00-17.00	■ Community Initiatives
24/3 **Wednesday**	Ministry of Education, FSE Division	10.00-11.30	■ Overview of the Spanish education system
		11.30-12.00	Coffee
		12.00-13.30	■ Initial training, curriculum design, teacher training, relationships between enterprises and training centres
	College of Tourism	14.00-17.30	Lunch prepared by students of the college ■ Presentation: development of the tourism sector and relevance to the Spanish economy ■ Visit to the college
AUTONOMOUS GOVERNMENT OF ANDALUSIA (OBJ. 1)/ SEVILLA			
25/3 **Thursday**	Train trip to Seville	8.00-10.15	"AVE" (TGV) Atocha train station, Madrid
	Department of Training and Employment Directorate General for Labour and Industry	11.30 -14.00	Themes: ■ Decentralisation of competencies in education and training to the region ■ Relations with the Ministry of Education, INEM and the municipal and regional authorities ■ Relations of the regional authorities with the ESF ■ Proposals to central authorities on ESF operational programmes ■ Implementation, monitoring and evaluation.
		14.00	Lunch hosted by the Junta de Andalucía

25/3 **Thursday**	Gelves Training Centre for Handicrafts	16.00-19.00	■ ESF case study
26/3 **Friday**	Department of Education and Science Directorate General for Training	9.30-12.00	■ Meeting with the regional "Minister" for Education and Science Theme: ■ Educational competencies of the regional authorities of Andalucía.
	Return to Department of Training and Employment	12.00-14.00	■ Presentation and discussion: The Human Resource Development Plan for Andalusia
		14.00	Lunch hosted by the Junta de Andalucía
	Hotel	16.00-16.30	■ Lessons learnt and national applications ■ Next steps in SPP programme

B.1.10 SWEDEN

Stockholm, Värmland County
19-23 April 1999

European Training Foundation organiser: *Roberto Daneo*

STUDY VISIT TO SWEDEN

1 Background to the study visit

The Swedish National Labour Market Board, the leading organisation for the study visit, prepared the agenda and coordinated all contacts with other national and local institutions. The Swedish EU Programme Office was co-responsible for the study visit, and accompanied the delegation during the visit to the regional authorities in Värmland County.

2 Participants in the study visit

Slovak Republic

- Ms. Lydia Zelmanova, Deputy Head of Phare Unit, Ministry of Labour, Social Affairs and Family
- Mr. Gustav Pastucha, Director of Phare and EU Programmes, Ministry of Education
- Ms. Renata Machova, International Department, National Labour Office

European Training Foundation

- Mr. Roberto Daneo, SPP Programme Coordinator. Contact person with the Swedish national authorities.

3 Summary study visit: the Swedish ESF model

3.1 Basic facts about the ESF in Sweden

All of Sweden is eligible for Structural Fund aid under Objectives 3 and 4 and some of it is eligible under Objectives 2, 5b), 6 and the Community Initiative programmes. Over the period 1995-99, overall Structural Fund assistance amounted to 1.2 billion Euros, of which 650 million came from the ESF. After four decades of very low unemployment and a high rate of participation in the labour

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market, unemployment rose to 9.8% between 1990 and 1994, as a result of a deep recession in the Swedish economy. Long-term unemployment, which was lower in Sweden that in most other countries, also increased sharply. The Swedish government adopted a combination of active labour market and vocational education and training policies with the result that the situation has improved greatly and unemployment fell to slightly above 6%.

When Sweden acceded to the EU on 1 January 1995, the Ministry of Labour (now the Ministry of Industry, Employment and Communication) undertook responsibility only for the overall coordination of employment and labour market policies, including the preparation of the National Action Plan. This is because, in the Swedish administrative system, ministries have, in fact, a very limited number of staff. Responsibility for the administration of ESF funding is delegated to the National Labour Market Board (AMS), an independent national agency which also manages the Objective 3 programme. The Swedish EU Programme Office manages and coordinates the Objective 4 programme and the Community Initiatives.

However, a decentralised system of implementation is in place, involving 21 County Labour Boards and Regional and Local Committee, which are made up of representatives from county councils, the social partners, local administrations and trade and industry and are responsible for selecting and monitoring projects, updating financial plans, etc.

According to the information received, ESF accounts for no more than 3% of total expenditure on human resource development and employment policies in Sweden. The Swedish authorities decided, therefore, to concentrate ESF programming on highly innovative and pilot measures, in order to ensure greater value-added and to test initiatives that could be incorporated into general employment policies. The Objective 4 programme, to which Sweden devotes more of its share of ESF funding than any other EU Member State, is particularly effective in increasing the level of training and the competitiveness of firms. A package of services to help SMEs draft a comprehensive business-development plan, improve identified skill and competence needs and support network development has been made available to 30,000 small firms, with a total of 240,000 employees.

3.2 *Study visit programme*

A general presentation of the Swedish administrative structure and of the programmes being implemented allowed the Slovak delegation to become acquainted with the Swedish system during the first two days of the visit. The concluding meeting on the fourth day was also very useful and helped to give participants a more in-depth view of all the stages of the process leading to the adoption of ESF programmes (socio-economic analysis and strategy, preparation of the development plan, negotiations with the Commission, implementation etc.).

The visit to Värmland County, which is partially eligible under objective 6 and hopes to qualify for Objective 1 status after year 2000, complemented the first part of the study visit, by letting participants see concrete examples of projects financed under different objectives. The Värmland County Labour Board and the local branch of Swedish EU Programme Office provided useful support in the organisation of the visit.

Among the projects visited, the Territorial Employment Pact in Grums is a good example of a local development project, aiming to improve the attractiveness of the local community and to encourage foreign investment and small business start-up. Specific target groups in this project are the long-term unemployed, young people, disabled groups, women and immigrants.

Further project visits to two employment offices took place on the last two days. Although not direct beneficiaries of ESF grants, the activities undertaken in these projects are also financed by the ESF budget. The Liljeholme Employment Institute is specialised in vocational rehabilitation targeted, especially, at physically disabled and socio-medically handicapped people. It provides a full range of services to disadvantaged job-seekers, including: client work stations linked to a job vacancies database; counselling and guidance; and vocational training opportunities and special facilities for handicapped job-seekers, including assistance by psychologists and physiotherapists.

The International Employment Office is also specialised in finding work placements all over Europe, thanks to its connection with the EURES database. There is also a database on temporary work to help the unemployed to find short-term jobs, while they are waiting for more regular and long-term employment.

Institutions	Topics presented	Key speakers
National Labour Market Office **Sundbybergsvägen 9 Solna (Stockholm)**	■ Socio-economic context ■ Overview of labour market policy in Sweden ■ National administrative structure ■ Monitoring and evaluation ■ ESF principles and operational mechanisms ■ Financial monitoring and accounting procedures ■ Presentation of Objective 3 programme: priorities and measures	■ Mr. Ragnar Gussing, Head of the International Unit ■ Mr. Stanislav Skrowron, Principal administration officer ■ Ms. Kristina Ossvik, Coordinator, ESF Objective 3
Ministry of Industry, Employment and Communication **Jacobsgatan 26, Stockholm**	■ Short overview of the Ministry ■ Main difficulties encountered in setting up an ESF system ■ Preparation of National Action Plan	■ Ms. Inger Wijkström, Head of Section ■ Ms. Katarina Sjölander, Head of Section
County of Stockholm **Länsarbetsnämnden** **Starrbäcksgatan 11, Sundbyberg**	■ Objective 3 in the county of Stockholm. ■ Background, selection criteria, organisation, results, evaluation methods, initial problems, ways to success ■ Main objectives achieved	■ Ms. Irma Palm, Strategic Advisor ■ Mr. Christer Jederholm, Administrative Director ■ Mr. Johan Nordqvist, Mr. Sven Jansson and Ms. Marie-Louise Pått, Desk Officers
Swedish EU Programme Office, Kungsgatan 8	■ Overview of the Swedish EU Programme Office and of its mission vis à vis European candidate countries ■ Presentation of the Objective 4 programme ■ Community programme initiatives (Adapt and Employment)	■ Mr. Somers Fry ■ Mr. K-G Lidström Responsible for candidate country contacts ■ Mr. Johannes Wikmann, Desk officer, ESF Objective 4

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Institutions	Topics presented	Key speakers
County of Värmland - Karlstad ***County Labour Board*** **Östra Torggatan 5**	■ Objective 3 and 4 programmes as implemented in Värmland County ■ Background, selection criteria, organisation, results, evaluation methods, initial problems, ways to success ■ Main objectives achieved	■ Hans Bäckfalk ■ Coordinator EU projects ■ Stefan Blomqvist ■ Värmland EU Programme Office
Grums Community	■ Presentation of Grums Territorial Employment Pact; ■ Presentation of the Grums "Paving the way for businesses project"	■ Rune Strömberg ■ Municipal Commissioner Mayor ■ Ms. Wallin, Coordinator of the Grums project
Torsby Development Joint-stock Company (TUAB), Enterprise, Network, Development	■ Presentation of an Objective 6 programme in the area ■ Development problems of a sparsely populated and rural area ■ Visits to some projects	■ Mr. Patrik Norling ■ Manager
Liljeholme Employment Institute **Liljeholmevägen 30**	■ Visit to the centre ■ Overview of the employment services available ■ Fighting social exclusion in Sweden	■ Mr. Svensson, Director ■ Ms. Domeij, Psychologist ■ Ms. Kiellgren, Physiotherapist
International Employment Office **Sveavägen 24-26**	■ Visit to the centre ■ Overview of the employment services available ■ The EURES network	■ Ms. Kerstin Engstrand, Director ■ Ms. Marie-Louise Chardet, EURES

4 *Conclusions/ Recommendations*

4.1 *Conclusions*

- There was overall satisfaction among the participants with the agenda and the information provided by the agencies they visited. The objectives of the study visit were met.
- The Slovak delegation participated actively in the meetings. The time schedule was intense, but not exhausting, and gave the participants the opportunity to elaborate on the information received and to ask for specific clarifications at the following meetings. Swedish officials were available to provide further assistance on some issues that were not treated in depth, on the request of the Slovak participants.
- There was a good balance between visits to projects and meetings with agencies responsible for overall programming. The meetings with the Swedish EU Programme Office and with the County of Stockholm Labour Board were particularly useful, according to the participants.

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- The programme was sufficiently flexible. With the agreement of the Slovak delegation, the Swedish authorities changed the presentation in the last summary session and focused more on human resource development and strategic employment planning.
- The documentation was useful and well selected. The Slovak delegation proved to be particularly interested in receiving copies of the programmes and of the employment strategy documents generally. They believed that these would help them to draw up the national employment strategy to be incorporated in their National Development Plan.
- As far as the willingness of the Swedish government agencies to assign experts to the second phase of the ESF-SPP programme, the Swedish EU Programme Office has already helped several candidate countries to participate in EU programmes (Socrates and Leonardo da Vinci) and is willing to work with our programme.

4.2 Recommendations

The candidate country

- The rules governing the implementation of the ESF had a great impact, in terms of burden of work, even in a generally well-organised country like Sweden. For instance, an excessive number of bureaucratic steps jeopardised the drawing down of funds in the Objective 6 programme. Without emphasising the difficulties involved, it is clear that the Slovaks must make good use of the preparatory period to prepare for Structural Fund aid and should avoid repeating the mistakes made in other EU countries.
- Decentralisation is a key to successful ESF implementation. There is still a lot to be done in Slovak Republic to prepare county administrations and local communities, both from a legislative and from a training viewpoint. The ESF/SPP local seminars could be crucial in this regard.
- A solid labour market analysis is a prerequisite to building up a good employment strategy. Background studies could help the Slovak authorities to collect reliable data and get a more independent picture of their labour market needs.
- The Slovaks expressed their concerns about the complex administrative procedures for managing Phare funds, particularly from 2000 onward, when the programme is going to follow a Structural Fund approach. In this regard, a manual on procedures for both Phare and ESF would be particularly useful for candidate countries.
- Developing good contacts with the relevant desk officer in the European Commission is crucial. A cooperative approach is essential to understanding procedures and avoiding mistakes. Even financial control and audit visits can be important learning experiences, if they are undertaken in a cooperative way.
- Participants stressed that they need to receive Commission guidelines as soon as possible so that they understand how Phare 2000 will operate and can contribute actively to drawing up their National Development Plans.
- An efficient and comprehensive database for monitoring the financial and physical aspects of the ESF is a fundamental tool, for both forward planning and programme evaluation.
- The principle of co-financing implies that ESF funds are additional to national funds. This is of great concern to the Slovaks as they fear that serious budgetary constraints could make it difficult for them to provide matching funds in the future.
- Inter-ministerial coordination should be further developed.

The European Training Foundation

- The European Training Foundation should continue the study visits to the EU for candidate countries.
- The European Training Foundation can play an important role in improving links with National SPPs, which are to finance the preparation of the National Development Plans.
- The European Training Foundation is a point of reference for assistance in the preparation of Phare 2000 and in helping candidate countries deal with the Commission services.
- The European Training Foundation should develop the National Training Institution project further.
- Networking is crucial. Both the Slovaks and the Swedes were interested in the role the European Training Foundation could play in developing contacts between EU and candidate countries, in order to exchange views on human resource development and employment strategies, possible solutions to common administrative problems in the ESF implementation, best practice etc.

5 *Overall assessment and lessons learned by the participants*

The wrap-up session with the participants was particularly useful.

It was used to summarise all the information received and organise it in the form of a mission report to be presented at the follow-up conference n Brussels. The report provides a brief description of the Swedish context and outlines ideas that could be transferred to the Slovak situation with regard to:

1. the institutional framework for vocational education and training and employment policies;
2. the institutional framework with regard to ESF management;
3. partnership;
4. financial issues;
5. the preparation of the National Development Plan;
6. monitoring and evaluation; and
7. pilot projects to be financed under Phare 2000.

The Slovak delegation welcomed the idea of having guidelines distributed in advance as it was felt that this facilitated discussion.

- The next steps in the ESF/SPP programme were explained and the session allowed the Slovak delegation to be involved in their preparation. It was agreed that particular attention should be paid to the awareness-raising phase of the programme, to disseminating the results of the accession papers and the background studies and to providing input into the social and employment sections of the National Development Plans.
- Possible problems in the organisation of future events were highlighted. The Slovak participants were concerned, for instance, about the cost of translating and publishing the documents they had collected.

6 *Contact details of key ESF institutions visited in Sweden*

Institution	Contact person	Address/Tel/Fax/e-mail
Swedish EU Programme Office	Mr. Somers Fry	Kungsgatan 8 Tel : +46 8 453.72.20 Fax : + 46 8 453.72.01 e-mail : somers.fry@eupro.se
Swedish EU Programme Office	Mr. Karl-Gunnar Lidström	Kungsgatan 8 Tel: +46 8 453.72.55 Fax: +46 8 453.72.01 e-mail : kg.lidstrom@eupro.se
County of Stockholm	Mr. Christer Jäderholm	Starrbäcksgatan 11, SUNDBYBERG Tel. + 46 8 629.11.21 Fax: + 46 8 629.10.30 e-mail: christer.jaderholm@lanab.amv.se
National Labour Market Board	Ms. Kristina Ossvik	Sundbybergsvägen 9 - SOLNA Tel: + 46 8 730.65.23 Fax : 46 82.73.30 e-mail : kristina.ossvik@ams.amv.se

7 *Selected ESF documents on Sweden available in the European Training Foundation*

- Single Programming Document Objective 3
- Single Programming Document Objective 4
- Single Programming Document Objective 6
- Operational Programme for Employment
- Swedish National Labour Market Administration
- Sweden's Public Employment Service
- Presentation on the Structural Funds in Sweden - slides
- Presentation by Stockholm County - slides
- Publications on Objective 4, the Swedish EU Publications Office
- Värmland - collection of publications on the labour market and the programmes implemented
- Grums Territorial Employment Pact Project
- Liljjeholmen Employment Institute

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ANNEX

SPP-ESF STUDY VISIT
Sweden 19-23 April 1999

Day	Programme (logistics)	Time	Agenda
19/4 **Monday**	Visit to **National Labour Market Office** Sundbybergsvägen 9 Solna (Stockholm)	9.00-10.00	**Themes** ■ Welcome. Overview of labour market policy in Sweden and the National Labour Market Board. Mr. Ragnar Gussing, Head of the International Unit. AMS, room Turkosen
		10.00-11.30	■ The principal ESF administrative structure in Sweden. Mr. Stanislav Skrowron, Principal Administration Officer. AMS, room Turkosen
		11.30-12.30	■ Lunch hosted by AMS, Ms. Kristina Ossvik (Coordinator of Objective 3), Mr. Stanislav Skrowron and Ms. Annelie Ljunglöf
	Ministry of Industry, Employment and Communication Jacobsgatan 26, Stockholm	12.40-13.00	■ Transfer
		13.00-15.00	■ Overview of the Structural Funds and the ESF in Sweden. Ms. Inger Wijkström (Head of Section) and Ms. Katarina Sjölander (Head of Section)
	National Labour Market Board (AMS)	15.00-15.15	■ Transfer
		15.15-17.00	■ ESF and Objective 3 in Sweden, Structure and results, initial difficulties, Ms. Lena Thalin (Director of Development Programmes), Ms. Kristina Ossvik, room B1 527

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Day	Programme (logistics)	Time	Agenda
20/4 **Tuesday**	*County of Stockholm* Länsarbetsnämnden Starrbäcksgatan 11, Sundbyberg	8.30-1130	■ Accompanied by Ms. Annelie Ljunglöf ■ Coffee 1. The labour market situation and the County Labour Market Board in Stockholm, Ms. Irma Palm, Strategic Advisor 2. Objective 3 in the county of Stockholm: background, organisation, results, evaluation methods, initial problems, Mr. Christer Jederholm, Administrative Director, Mr. Johan Nordqvist, Mr. Sven Jansson, Ms. Marie-Louise Pått, Desk Officers
	Swedish EU Programme Office, Kungsgatan 8	11.30-15.00	■ Transfer
		12.00-13.15	■ Lunch hosted by the Swedish EU Programme Office
		13.15-14.00	■ Overview of the Swedish EU Programme Office and of its mission vis à vis the candidate countries, Mr. Somers Fry and Mr. K-G Lidström (Official responsible for contacts with candidate country)
		14.00-16.30	■ (1) Objective 4 and regional partnerships, and (2) Community Initiatives, including transnationality, evaluation and mainstreaming, Ms. Margit Unnefelt (Head of ESF Unit)
	County of Värmland - Karlstad Hotel Savoy Västra Torggatan 1 Phone 46 54 15 66 40	18.00	■ Departure by train, accompanied by Ms. Ljunglöf and Mr. Somers Fry ■ Stockholm 18.48 ■ Karlstad 21.41
21/4 **Wednesday**	**County of Värmland - Karlstad** *County Labour Board* Östra Torggatan 5	8.00	■ Accompanied by Ms. Annelie Ljunglöf and Mr. Somers Fry ■ Objective 3 and 4 programmes as implemented by Värmland County. Brief outline of Objectives 3 and 4 in Sweden
	Grums	9.30	■ Departure
		10.00	■ Visit to an Objective 3 project

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Day	Programme (logistics)	Time	Agenda
	Torsby (Objective 6 area)	11.00	■ Departure
		12.30	■ Lunch hosted by Mr. Bäckfalk and Mr. Blomqvist
	Torsby Development Joint-stock Company (TUAB), Enterprise, network, development	13.30	■ Mr. Patrik Norling, Manager ■ Visit to project "Värmlandsapprientice"
		17.00	■ Conclusions
	Transfer to Karlstad - Stockholm	17.30	■ Transfer to Torsby – Karlstad (17.30-19.00) ■ Karlstad-Stockholm (19.35-21.35)
22/4 **Thursday**	**National Labour Market Board (AMS)**	9.00-11.30	Themes: ■ Summary discussion with representatives from Objectives 3 and 4, Swedish EU Programme Office, Ms. Kristina Ossvik, AMS, Mr. Somers Fry.
		12.00-13.30	■ Lunch
	Visit to Training Centre - Stadshagen	13.30-16.00	■ Details of programme to be decided
	International Employment Office Sveavägen 24-26	9.00-11.00	■ Meetings with Ms. Kerstin Engstrand (Director) and Ms. Marie-Louise Chardet, EURES.
	Free	12.30-13.30	■ Lunch
23/4 **Friday**		13.30-15.30	■ Lessons learned and follow-up actions, facilitated by Mr. Roberto Daneo
	Stockholm airport	17.00	■ Transfer to Airport
		20h25	■ Departure

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North Sea
Irish Sea
United Kingdom
English Channel

B.1.9 UNITED KINGDOM

London & Liverpool
19-23 April 1999

European Training Foundation organiser: *Steve Pope*

STUDY VISIT TO THE UNITED KINGDOM

1 *Background to the study visit*

This study visit was organised jointly by the European Training Foundation and the lead ministry for the ESF in the UK, the Department for Education and Employment, with the assistance of the Government Offices of London and the North-West of England.

2 *Participants in the study visit*

Latvia

- Ms. Elita Milca, Deputy Head of Department, Department of Budget and Finance, Ministry of Welfare
- Ms. Dita Traidas, VEDP Agency Director, VEDP Agency, Ministry of Education and Science
- Ms. Ieva Jaunzeme, Director of Labour Department, Ministry of Welfare
- Ms. Inga Piraga, Chief Economist, Foreign Assistance Division, Ministry of Finance

European Training Foundation

- Mr. Steve Pope, Programme Manager for Slovak Republic, Deputy Head Central Europe North Department, Contact person with the UK national authorities

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3 Summary of the study visit: ESF operational mechanisms in the UK

Day 1

The first day of the visit was spent in the Department for Education and Employment, the ministry responsible for the overall management of the ESF in UK

Rita Gilfellon, Department for Education and Employment

"Overview of the Department for Education and Employment and UK policies on education, training and employment"

- The key aim of the Department for Education and Employment is to promote social inclusion. The UK economy is characterised by relatively low unemployment but high, persistent, long-term unemployment. The priority of welfare reform is to balance individual responsibility and welfare rights. Six "New Deal" packages have been introduced for: 18-24 year olds; +25 year olds; the disabled; lone parents; partners of the unemployed; and the over-50s.
- The priorities of education reform are: the development of the national curriculum; a focus on basic literacy and numeracy skills; introducing challenging targets for 11 year olds; a focus on nursery and early learning; increased teacher and headteacher training; more testing (even for 5 year olds); increased publicity of the results of testing and more intervention by national and local authorities in "failing schools", leading to possible mergers or closure of schools; and local management of schools, with an increasing proportion of the budget going automatically to schools.
- The recently published Green Paper on teaching includes proposals for performance pay for teachers. Reform in the lifelong learning and further education sectors are underway. Proposals include the development of a University for Industry to improve access to open and distance education.

Questions from the Latvian delegation:

- What is the role of the social partners in vocational education and training?

  There is no legislation in the UK on this subject. Partnership is on a voluntary basis. Education Action Zones are being formed, involving businesses, parents, trade unions etc. The government is also promoting increased trade union involvement in the governing boards of Training and Enterprise Councils (TECs).
- What is the dividing line between education and vocational education and training?

  Some practical training is delivered in schools. General National Vocational Qualifications (GNVQs) are being developed
- What is the role of the ESF in the reforms mentioned above?

  The role of the ESF is quite limited. The New Deal initiatives are the main vehicles for reform.

Jim Burns, ESF Unit, Department for Education and Employment

"Overview of the ESF in the UK"

- The UK ESF Unit has had a series of contacts with the candidate countries. These have been guided by the basic attitude that the administration of the ESF in the UK is not perfect but that there are, nevertheless, many useful lessons to be learnt from it. Regionalisation of the administration of the ESF in the UK is increasingly important. The offices of the central government in the regions, e.g. Northern Ireland Office, Scottish Office and the Government Office for the North-West (GONW), now play a key role in managing Objective 1 programmes.
- In England, there are nine Government Offices, which bring together different ministries, i.e., education, employment, environment, transport, and trade and industry. Since January 1998, the Government Offices have taken on a greater role in ESF administration. Before then, all ESF applications, approvals and payments were dealt with by the ESF Unit in the Department for Education and Employment in London. This Unit had 100 staff. This was increased to 120 during the peak period between April and June when the final claims for the year were processed. By April 2000, the ESF Unit in the Head Office will employ 50 people and the rest of the staff will have been transferred to Government Offices in the regions.
- Later in 1999, the Head Office ESF Unit will be divided into two main teams: policy and delivery. (A separate, smaller team will deal with the twinning link established with Poland). Copies of the ESF Unit work plan for 1999-2000 were distributed to the participants.
- The basic division of labour between the Head Office and Government Offices in the regions has been established. The Government Offices will write programming documents, negotiate with the European Commission on these and consult local partnerships so that programmes reflect local labour market needs. The Head Office retains overall responsibility for the ESF and deals with horizontal tasks such as design of application forms and guidance material for applicants. ESF applications in UK are now electronically based. (The participants were given copies of this material on diskette).
- There is keen competition for funds in the UK and this has led to demands for transparency in the administration of the ESF. One effect of this is that elaborate scoring systems for applications have been developed. Some of these are computerised and some are applied manually. Scoring is carried out by Working Groups of Programme Monitoring Committees (including partners as well as Government Office officials) and is the basis of the process of assessing and approving applications.

Questions from the Latvian delegation

- Why has the UK started this decentralisation process?

  It reflects general changes in UK (Scottish and Welsh devolution etc.) and is also the result of strong pressure from the European Commission and regional partners. It is important to distinguish between the regional (1, 2 and 5b) and national (3 and 4) objectives. For the former, decentralisation occurred much earlier.
- Is technical assistance available for ESF management and, if so, under what form does it take?

  Sector representatives (e.g. from the local authorities, Further Education, the voluntary sector, Training and Enterprise Councils and the private sector) working on the Structural Funds are part-financed from Structural Funds Technical Assistance budget lines.
- What is the role of the Monitoring Committees?

  (A handout was provided.)

Monitoring Committees vary in size from fifteen to fifty and meet two or three times a year. Normally, they review reports from the various sectors mentioned above and are always chaired by a representative of the central government (from the Head Office or the Government Offices in the regions). The decision-making process in the Monitoring Committees is, largely, based on consensus and they tend to avoid votes on contentious issues.

- What is the role of the Ministry of Finance (which, in the UK is known as the Treasury)?

  Ministries that are involved in the operation of the ESF (the Departments for Education and Employment, Trade and Industry, the Environment, Agriculture etc.) must negotiate their co-financing requirement with the Treasury as Structural Fund allocations are part of public expenditure. The Treasury receives Structural Fund payments from Brussels and passes them on to the relevant Ministries but it is not involved in the Monitoring Committees.

- Are Ministry staff trained about the ESF?

  Head Office staff are currently training Government Office staff about their new ESF responsibilities.

Liz Tillett, Departments for Education and Employment

"National Action Plans for Employment"

- Handouts on the UK National Action Plan for Employment and a summary of the presentation were provided. Ms. Tillett is responsible for UK negotiations on EU employment guidelines and for the production of the UK National Action Plan for Employment. The nature of the National Action Plans for Employment differ greatly one Member State and another. In the UK, the National Action Plan for Employment has no legal status: it merely describes the many and varied actions taken to promote employment in the UK. There is no separate budget outlining National Action Plan measures. In other countries, such as Italy for example, the National Action Plan is a legal document and, in Luxembourg, it is the result of formal negotiations between the government and social partners.

Questions from the Latvian delegation

- How is the structure of National Action Plan for Employment decided?
  The process starts during negotiations on employment guidelines.
- How is the National Action Plan drafted?

  Ms. Tillett first sets up an editorial board of policy teams from the Departments for Education and Employment. Drafts are prepared by the policy teams and discussed with national social partners and relevant NGOs.

- What is the relationship between the National Action Plan for Employment and national ESF plans?

  They are separate documents, but Ms. Tillett works in close contact with the ESF Unit to ensure that they are parallel.

Cheow-Lay Wee, ESF Unit, Department for Education and Employment "Future Structural Fund programmes in the UK"

- There will be four Objective 1 areas in the UK in the next programming period (2000-2006) - West Wales, Merseyside, South Yorkshire and Cornwall. Only Merseyside retains its Objective 1 status from the present period. The Highlands and Islands of Scotland and Northern Ireland will be phased out of Objective 1.

- Education will be a priority in all ESF programmes from 2000 onwards. (Up to now, this was the case only in Objective 1 areas). There will also be increasing recourse to a "menu approach", with Member States being able to choose between priorities for education, vocational education and training, research and development and employment measures.

Marta Phillips, Head of Delivery Team, ESF Unit, Department for Education and Employment

"Practical tips for countries preparing for the administration of the ESF"

A detailed handout was provided and various key points were dealt with.

- Central government is also the main applicant to the ESF. It receives 36% of ESF funds, or £150 million, per year. Thus, the ESF Unit in the Department for Education and Employment receives applications from operational departments in the same ministry (e.g., for ESF support for New Deal initiatives).
- The Department for Education and Employment sometimes has to go to court to recover ESF money from fraudulent projects. More often, however, a simple threat to refuse further payments is used to impose discipline on ESF project-promoters. Software has been developed to ensure that an early warning is given to Department for Education and Employment staff when problem promoters make new applications. Some serious cases are being prosecuted by the Serious Fraud Office.
- Some complications are caused by differing time-scales. The UK financial year runs from March to April, while ESF projects are funded on a calendar year basis. In the past, ESF projects were limited to one year only, but now more and more projects are multi-annual.
- All the running costs of the ESF Unit in the Department for Education and Employment come from the UK national budget and not from the ESF. There is sub-contracting of national ESF administration such as takes place in other Member States, e.g., Germany.
- The Department for Education and Employment is trying to organise annual site-visits to all ESF project promoters. Self-monitoring will also increase.
- As far as Latvian preparations for the ESF are concerned, it is crucial to ensure good inter-ministerial working relationships on the ESF as soon as possible. A monitoring and evaluation mechanism should be established in advance. It is essential that project promoters provide relevant information, on quality indicators and not just financial data, to the central government.

Day 2

Day 2 was spent in the Government Office for London (GOL), one of the nine central government offices in the regions, and with two ESF project promoters.

Helen Ghosh & Philip Parker (Head of the European Unit, Government Office for London

"Overview of the Government Office for London

- London is a very prosperous city but it has pockets of severe deprivation. Five of the ten most deprived districts in the UK are in London. The total population is around six million plus 1.5 million commuters. Local labour markets require high levels of skill, particularly in the financial, government, corporate sectors but the skills base is quite low. The key role of the Government Office is to ensure synergy between UK initiatives to tackle these problems (e.g., the Single Regeneration Budget) and the ESF.

David Cobb and David Hampson

"Role of the Government Office for London in the ESF context"

- David Cobb is seconded to the Government Office for London from the higher education sector in London. He outlined the Objective 2 partnership in London, which is split into four "Priority thematic groups". The London Objective 2 area, which has a population of 1.5 million, has received about £200 million from the Structural Funds in the current programming period. The ESF also provides £60 million for Objectives 3 and 4 in the whole of London.
- There are separate Monitoring Committees for Objectives 3 and 4. A Government Office representative sits on each of these Monitoring Committees at national level. The Government Office also chairs regional Monitoring Committees for the different objectives.
- The Government Office receives application requests for about £250 million each year, but can provide only £50 million. Seven hundred and fifty final claims are being processed by the Government Office at the moment.
- Parts of London are eligible for the URBAN Community Initiative. There have been long delays in the negotiations on the Single Programming Document for this programme.
- The ESF is probably the only funding mechanism in the UK to pay in advance. (Not even the ERDF does this.)
- The new requirement of annual site-visits to all ESF promoters means that the Government Office will have to visit approximately 300 different training providers in London.
- There are 30 staff working full-time on the ESF in the Government Office of London.

Site-visits to ESF project promoters in London

- Barbara Simpkins introduced the East London Advanced Technology Training Centre (ELATT) and provided a detailed handout on the centre and its activities. ELATT is a charity which provides training in a range of subjects. All ELATT training is part-financed by the ESF whose contribution amounts to 45% of total ELATT expenditure.
- Michael Greenfield introduced Re-Hab UK, a Vocational Training Centre for Brain Injured People, which also receives significant financial support from the ESF. He strongly advised that "sector coordinators" be appointed to assist project promoters like Re-Hab UK. Alfredo Mendes explained his role in providing support as a "European Technical Adviser" for the "London Voluntary Sector Training Consortium".

Question from the Latvian delegation

- Can the ESF be used to increase teacher salaries?

  The problem lies with the co-financing principle, which means that ESF promoters try to decrease costs, rather than increase teachers' salaries.

Day 3

Day 3 was spent on a visit to the Government Office for North-West England (GONW) in Liverpool, which deals with the Objective 1 programme for Merseyside, and in meeting Merseyside "sector coordinators".

Marianne Neville-Rolfe, Katherine Himsworth, Ian Barry, Jo Lappin and Alex Rae, European Secretariat, Government Office for North-West England

"Outline of the role of the Government Office for North-West England in the management of the Merseyside Objective 1 programme"

- Numerous programme documents were provided. Explanations were given of the five programme "drivers" and the "pathway approach", which is a bottom-up approach to project development focusing on tightly defined communities within the programme area.
- At present the Government Office for North-West England has a dual task: managing the current Objective 1 programme and preparing for the next programming period, 2000-2006. There is still a lot of work is to be done to finish off existing programmes. Overall spending levels have been quite low and, as a consequence, the ESF allocation may be reduced in next programming period. The total Structural Fund contribution in the current programming period is £600 million, of which £240 million comes from the ESF. Seventy-five per sent of the ESF funds goes on training for LTU. There are no separate ESF Objective 3 actions financed in Merseyside, because they are all included in Objective 1. The population of the Merseyside programme area is 1.4 million.
- The Government Office for North-West England, like the Government Office for London, employs a lot of consultants and people seconded from other organisations in its European Secretariat. These can be financed from the ESF technical assistance budget, though not if they are employed for monitoring and evaluation tasks. In 1999, the Government Office for North-West England received 1,500 applications for ESF support, of which 1000 were approved.
- There are a lot of constraints on the Government Office's ability to adapt programmes. The emphasis is on negotiation with partners and with the European Commission.
- All UK funds used for co-financing must be strictly in accordance with EU criteria and are also open to auditing by EU financial control.

Meeting with Merseyside sector coordinators, David Smith (Local authorities), Ian Lomas (Training and Enterprise Councils), Paul Lally (Further Education), Ms. Laurie (Higher Education) and Mark Warren (the voluntary sector)

- Each coordinator is appointed by his/her sector and has a contract with the Government Office for North-West England to provide support on the ESF. Coordination of this kind is supported by ESF technical assistance funding. There is increasing emphasis on local community action but there are bureaucratic problems attached to the ESF. Lots of money is spent on "how to fill in the ESF application form" rather than on genuine bottom-up project design.

Questions from the Latvian delegation

- How do local organisations learn about the availability of ESF finance? Are there advertisements in newspapers?

  The matching funds requirement means that local organisations must already be part of networks, which are aware of available ESF finance. There is no point in looking for ESF support without having matching funds organised in advance.

- Are there weaknesses in the "pathways" approach?

  The emphasis is on a strict geographical definition of the different areas and this may not always correspond to the actual catchment areas within which local economic development takes place.

Day 4

Day 4 was spent on site-visits to ESF training providers in Merseyside. There was also a final study visit wrap-up session.

Site-visit to a voluntary sector training provider, Huyton Churches Training Services (HCTS)

- This training partnership was formed in 1980, by a number of local churches from different denominations. They are now regular beneficiaries of ESF grants. They have difficulties with the application process: the diskette version of the application form has not eradicated all problems.
- The HCTS gave a presentation on a number of different projects in which the centre is involved. This highlighted the diversity and, at times, the complexity of the UK vocational qualifications system. The HCTS also pointed out that the criteria for funding and the requirements of different sources, e.g., the ESF, the FE Funding Council, Training and Enterprise Councils etc., are sometimes contradictory.
- The procedures used to secure ESF funding, such as that of having a single organisation, e.g., a Training and Enterprise Council, submit an application on behalf of the HCTS and the latter then sub-contracting a local college to actually deliver the training, have caused some difficulties. The European Court of Auditors is concerned that, because the chain of delivery in this type of procedure is so long, too much ESF finance is lost to "middle men" and not enough goes to training providers and training beneficiaries. Alternatively, the HCTS can follow the procedure of securing ESF grants from its own voluntary sector allocation.

Site visit to Knowsley Community College

Presentation by Brian Ward of Liverpool Community College

- All Merseyside colleges work in close cooperation on ESF-related matters. This is evidenced by the fact that one person, Paul Lally, is the coordinator for the entire sector. The ESF and the ERDF make substantial contributions to Mersey colleges. An average of £3 million is paid to Liverpool colleges from the ESF alone. This represents about 10% of total college budgets. An additional £7 million comes from the ERDF. This is used for college equipment, but not for college buildings, in Merseyside.
- The colleges are aware that there is a problem of sustainability and that they cannot assume that ESF funding will continue. In fact, projects often close down as soon as the ESF money stops coming.
- Teachers' salaries are a significant part of the costs that are co-financed by ESF project promoters. The average salary for teachers in Latvia is roughly 10% of the equivalent in the UK. This makes the issue of finding sufficient matching funds all the more difficult for Latvian organisations.

4 *Conclusions/ lessons learnt by participants*

The Latvian delegation drew the following conclusions from the study visits.

- The ESF is both an opportunity for, and a danger to, Latvia. The opportunity lies in the ESF resources that may become available in the future. The Merseyside Objective 1 region has a smaller population than Latvia. It has received £600 million from the Structural Funds between 1993-1999 and will be receiving more in the next programme period. The danger is clearly in terms of the huge scale of ESF administration that is required at all levels: local, regional and national. In this context, certain key questions arise.
- Will Latvia be able to find sufficient numbers of civil servants to manage the ESF? Will ESF technical assistance be able to stretch far enough to enable Latvia to increase its administrative capacity to manage the ESF?
- How can Latvia decentralise quickly enough to satisfy ESF demands in terms of the involvement of local and regional partners, not just as ESF promoters but as part of the ESF management process?
- How can the project management skills of local training providers be increased so that they are able to manage the complexities of the ESF?
- How can Latvia find sufficient co-financing?

5 *Contact details of the ESF-related institutions visited in the UK*

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London Voluntary Sector Training Consortium	Alfredo Mendes	Tel: ++ 44 171 249 4441
Government Office for the North West (GONW), Cunard Building, Pier Head, Water Street, Liverpool	Ian Barry,	Tel: ++ 44 151 224 6300
Merseyside Objective 1 sector coordinators, Government Office for the North West (GONW), Cunard Building, Pier Head, Water Street, Liverpool	Paul Lally (Further Education) Mark Warren (Voluntary sector) David Smith (Local authorities)	Tel: ++ 44 151 224 6300
Liverpool Community College	Brian Ward	Tel: ++ 44 151 224 6300

BEST COPY AVAILABLE

6 Selected ESF documents on the United Kingdom available in the European Training Foundation

- The ESF in Great Britain
- The Single Programming Document for Merseyside 1994 -1999
- Merseyside Objective 1 - Guidelines for applicants (Separate documents for the different programme measures)
- UK ESF Guidance Notes for Objective 4 and interactive diskette application form (Set of 5 diskettes)

ANNEX

Special Preparatory Programme for the European Social Fund (SPP-ESF)

Study visit by Latvian delegation to the UK, 19 - 23 April 1999, to observe: "How the UK manages the ESF"

Monday 19 April

Venue: *Department for Education and Employment Head Office*

10.00	Rita Gilfellon - Overview of the Department for Education and Employment and of UK policies on education, training and employment
10.30	Jim Burns and Cheow-Lay Wee - Overview of Structural Fund programmes in UK, the current round of ESF funding and role of Monitoring Committees
11.30	Liz Tillett - National Action Plans for Employment
14.00	Marta Phillips - Practical tips for countries preparing for the administration of the ESF

Evening

Visit to the House of Commons with Steve Pope and meeting with Andy Reed Member of Parliament for Loughborough (former ESF Officer for Leicestershire County Council)

Tuesday 20 April

Venue: *Government Office for London (GOL)*

10.00 Welcome by John Owen (Director of Skills, Education and Regeneration, GOL), Philip Parker (Head of GOL European Unit) and Franc Sullivan (GOL European Unit)

10.05 Overview of GOL provided by John Owen, followed by questions

10.30 Role of GOL in the ESF context - talk by Philip Parker & Franc Sullivan, followed by questions

11.10 Financial control (tracking and auditing of ESF funding), data collection and analysis - talk by Peter Coyle, followed by questions and brief visit to the European Unit

12.00 Latvian delegation departs GOL.

PM - Visit ESF project promoters in London:

14.00 East London Advanced Technology Training

15.30 Re-Hab UK, a vocational training centre for people with brain injuries

Wednesday 21 April

Venue: *Government Office for the North West (GONW)*

09.00 Brief introduction - Regional Director, Marianne Neville-Rolfe

09.15 Discussion with Katherine Himsworth, Civil Service Official responsible for the Objective 1 Programme/Secretariat

10.00 Discussion with Jo Lappin, and Ian Barry, representing the Objective 1 Secretariat and Alex Rae from the GONW Structural Funds payment and monitoring team. Alex will discuss issues relating to the recently adopted EU Financial Control

Regulation which covers Member State auditing and monitoring responsibilities.

12.00 Lunch at GONW

14.00 Meeting and discussion with ESF sector coordinators

Thursday 22 April

AM

Project demonstrations in the Merseyside programme area and further meetings with the sector coordinators

Lunch at GONW

PM

Venue: *Government Office for the North West (GONW)*

14.00 - Final meeting between UK officials (possibly including the Department for Education and Employment and the Government Office for the North West) and the Latvian delegation

- final questions from Latvian to UK officials
- Latvian observations on ESF arrangements in the UK
- final UK recommendations to Latvia on ESF preparations

15.00 - The European Training Foundation and the Latvian delegation meeting to prepare for the next steps in SPP-ESF project and to discuss the lessons learned during the study visit can be applied in Latvia.

Friday 23 April

0650 - depart for Latvia on SK 1540

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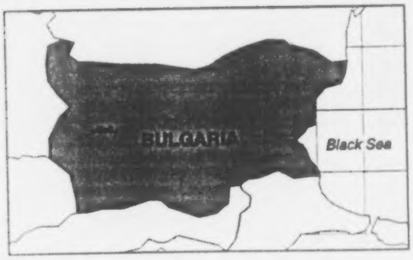
Ms Martha Tirelli	PM. Poland, Estonia	European Training Foundation		**SV. DK**
Mr Brian Tisdall	PM. BiH	European Training Foundation		**SV. IRL**
Ms Evelyn Viertel	PM. Slovenia	European Training Foundation		

B.2

Reports on the state of readiness in candidate country administrations for future access to the ESF



B.2.1 BULGARIA

The activity of the Ministry of Labour and Social Policy and the National Employment Service during the past year has consisted, largely, of meeting requirements arising from the employment policy being developed by the European Union following the Amsterdam Treaty and the summits in Luxembourg and Vienna.

The important milestones in this process are considered below

1 *Definition of the guidelines*

Policy guidelines for labour market policy for the period 2000-2006 are being developed, having regard to:

- the provisions of the Unemployment Protection and Employment Promotion Act (UPEPA);
- the EU's White paper;
- the EU's terms of accession for the Republic of Bulgaria;
- the current Government Programme; and
- recommendations from international organisations.

Labour market policy will have the following priorities:

1. job creation;
2. reducing registered unemployment;
3. preventing long-term unemployment; and
4. reducing and preventing unemployment among disadvantaged groups, such as school leavers, women, ethnic minority groups, the disabled, etc., through the promotion of integration and reintegration into the labour market.

2 *The development and implementation of employment programmes*

The employment programmes are very important measures for reducing pressure on the labour market during the process of structural reform.

Employment programmes are developed and implemented in accordance with the conditions and requirements of the Unemployment Protection and Employment Promotion Act, the Regulations for implementing the UPEPA as well as other acts dealing with the labour market.

In accordance with Article 78 of the UPEPA, the Council of Ministers, the line ministries and the regional administrations, together with the National Employment Service, can develop and implement programmes, which promote and increase employment.

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Principles

Tripartitism is the basic principle underlying the process of developing and implementing employment programmes.

The programmes apply to national, branch and regional levels, depending upon whether they have general or local objectives.

Objectives

The wider objective of the employment programmes is to curb the growth of unemployment and to reduce its duration during the process of structural reform of the Bulgarian economy.

The immediate objectives are:

- to provide employment via the protection of jobs and/or job creation;
- to motivate and encourage laid-off workers to start their own businesses;
- to provide opportunities for vocational retraining for the employed in order to equip them with relevant skills and knowledge for their current jobs or for new ones;
- to increase the employability of unemployed job seekers through the provision of training and of employment services;
- to develop unemployment protection;
- to ensure the socio-economic integration of disabled people into the labour market; and
- to improve working and living conditions.

Employment programme development

The institutions responsible for the development and implementation of employment programmes are:

- for national programmes, the Ministry of Labour and Social Policy;
- for branch programmes, the relevant line Ministries, together with the social partners, the Ministry of Labour and Social Policy and the National Employment Service; and
- for regional programmes, regional administrations together with the regional structures of the trades unions' and employers' organisations, NGOs, the National Employment Service, the Regional Employment Service and local Labour Offices.

In initiating the development of an employment programme, the ministry (or whichever organisation is responsible):

- carries out consultations on the need for the programme, and on how it should be developed, with other institutions and the social partners;
- organises a working group and indicates the participants and institutions involved, the problems to be considered and the terms of reference;
- approves the completed terms of reference prepared by the working group; and
- approves the employment programme and coordinates it with the responsible ministries and other institutions and organisations.

The working group should include representatives of the social partners and the National Employment Service (or the Regional Employment Services or Labour Offices) and/or of the Ministry of Labour and Social Policy, depending on the geographical coverage of the programme. The members of the working group participating in the working out of the terms of reference are entitled to be paid fees for their services by the responsible institution (the ministry or the municipality).

The Employment Programme is developed in accordance with the terms of reference of the working group. The programme could be delegated for development to another implementing agency (NGOs, national or local authorities, foreign experts etc.) in which case financing is provided by the institution responsible.

The final version of the Employment Programme must be coordinated with the Ministry of Labour and Social Policy. Programmes, which are financed from the State budget or from international financing organisations, are submitted for approval to the Council of Ministers after they have been discussed and agreed with the Ministry of Labour and Social Policy, the Ministry of Finance, the Ministry of Regional Development and Public Works, the Ministry of Justice and European Integration and other relevant institutions and organisations.

ESF related legislation

1. The Unemployment Protection and Employment Promotion Act (UPEPA)
2. The Regulations for implementing the UPEPA
3. The Regional Development Act
4. Secondary legislation
5. The Draft Social Investment Fund Act
6. The Draft Public Tendering Act

Sources of finance for ESF-funded activities

1. The State Budget
2. The international financing community
    - the European Union
    - the International Bank for Reconstruction and Development
    - the United Nations Development Programme
    - Bi-lateral sources

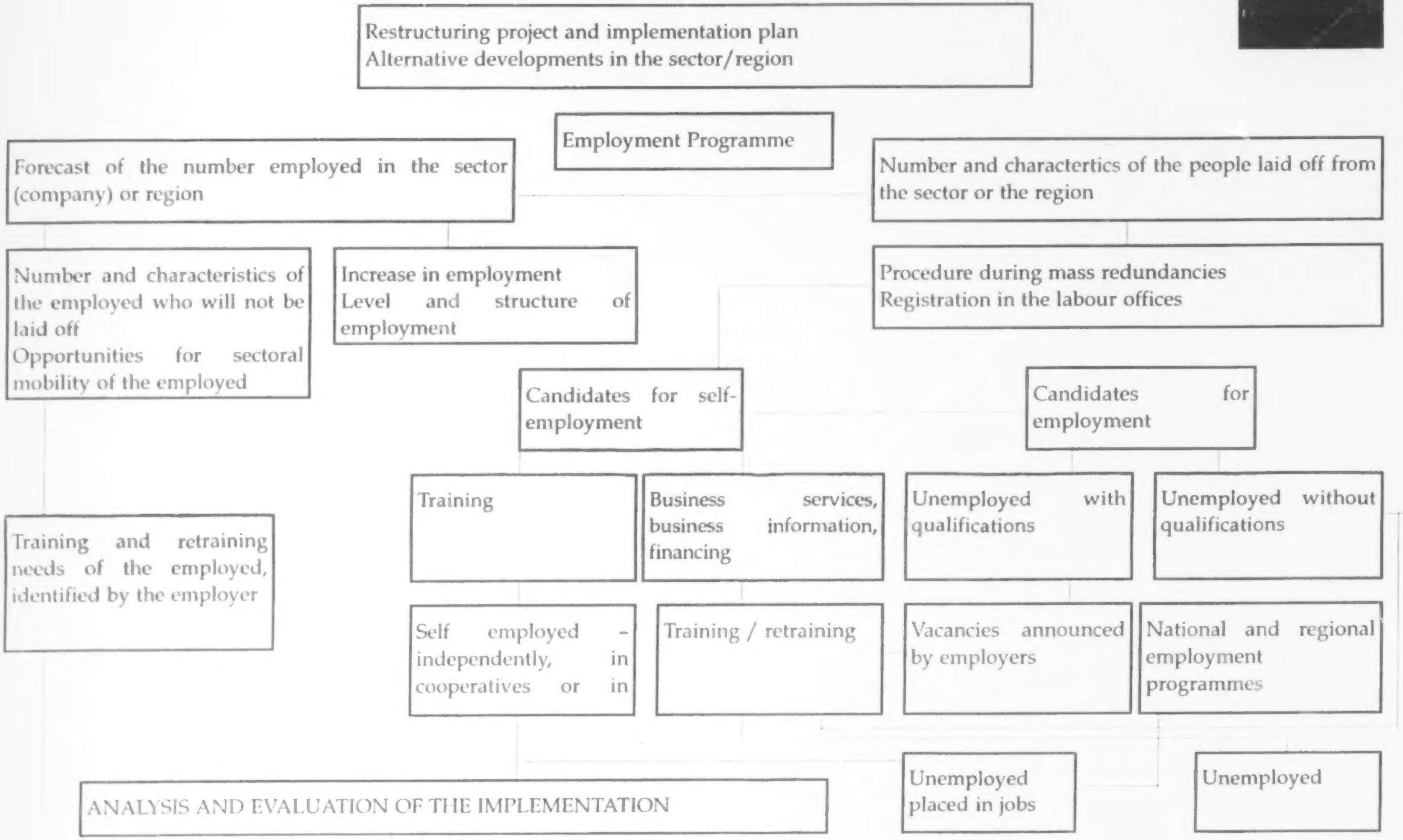
Constraints

1. Transition period
2. Structural reforms
3. Currency board

Control mechanisms

1. The National Auditing Office
2. The state financial control authorities
3. International auditing authorities
4. Independent auditing companies

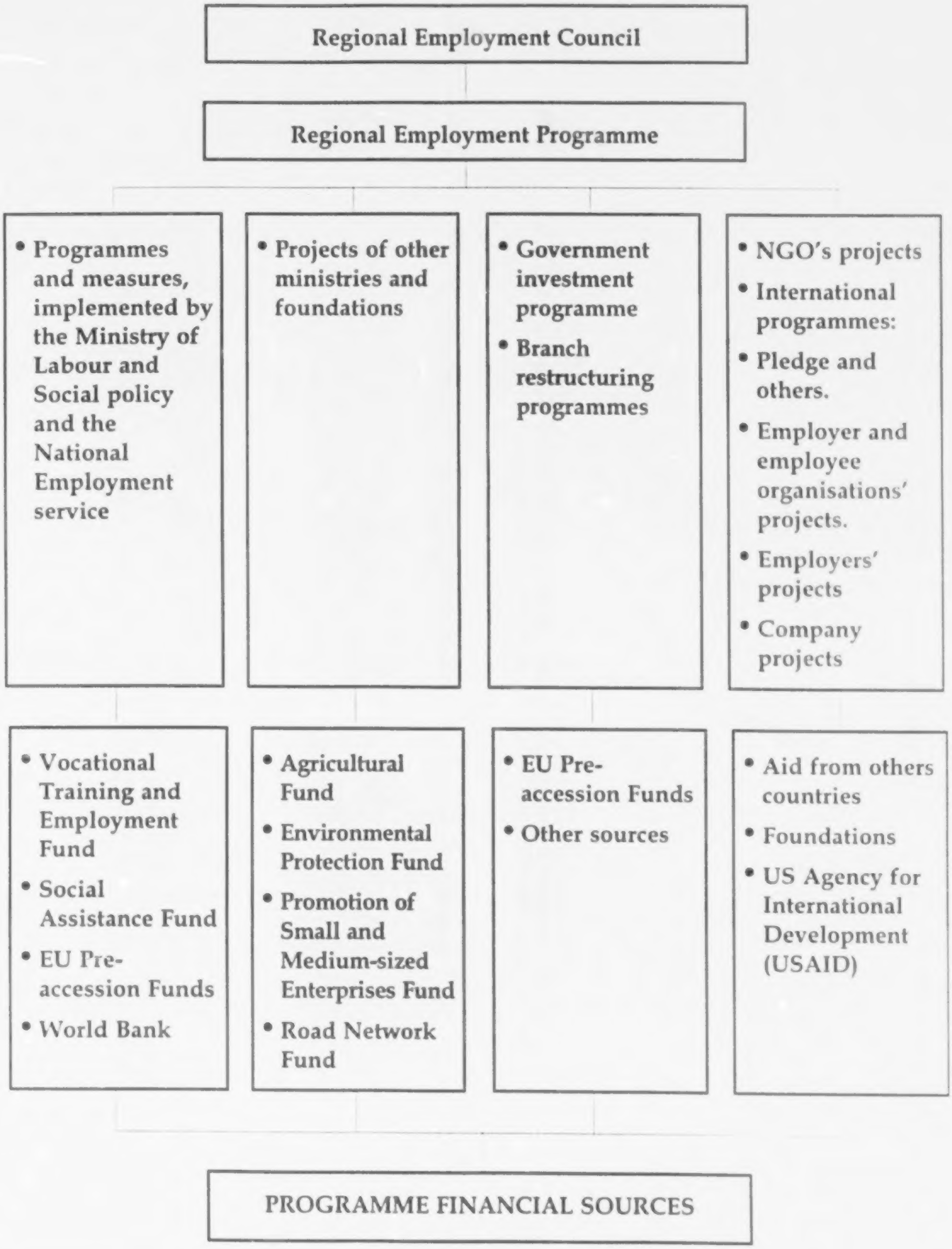
ANNEX 1 - EMPLOYMENT PROGRAMME - SCHEME


Restructuring project and implementation plan
Alternative developments in the sector/region
Employment Programme
Forecast of the number employed in the sector (company) or region
Number and charactertics of the people laid off from the sector or the region
Number and characteristics of the employed who will not be laid off
Opportunities for sectoral mobility of the employed
Increase in employment
Level and structure of employment
Procedure during mass redundancies
Registration in the labour offices
Candidates for self-employment
Candidates for employment
Training
Business services, business information, financing
Unemployed with qualifications
Unemployed without qualifications
Training and retraining needs of the employed, identified by the employer
Self employed - independently, in cooperatives or in
Training / retraining
Vacancies announced by employers
National and regional employment programmes
ANALYSIS AND EVALUATION OF THE IMPLEMENTATION
Unemployed placed in jobs
Unemployed

ANNEX 2: STAGES AND ACTORS IN THE DEVELOPMENT OF THE REGIONAL EMPLOYMENT PROGRAMME

Establishment of the Regional Employment Council	**Regional administration Municipal administration Regional Employment Service/ Labour Office Employers' organizations Employees' organizations Agricultural Fund Coordinator**
Establishment of a working group to draw up terms of reference for the development of an Employment Programme for the region	**Regional Employment Council members or experts**
Analysis of the economic and socio-demographic characteristics of the region	**Working group Regional administration Municipal administration Regional Statistics Board Regional Employment Service/ Labour Office**
Employment policy priorities	**Regional Employment Council Working group**
Draft of the terms of reference	**Working group**
Approval of the draft terms of reference	**Regional Employment Council**
Draft of the budget for the regional Employment Programme Draft of the Programme and sources	**Working group or other implementing organisation Coordination with Ministries and other organisations**
Approval of the Regional Employment Programme and submission of the Programme to the Ministry of Labour and Social Policy	**Regional administration Regional Employment Council**
Implementation and monitoring of the Programme	**Regional Employment Council**

ANNEX 3
RANGE OF REGIONAL EMPLOYMENT



Regional Employment Council

Regional Employment Programme

- Programmes and measures, implemented by the Ministry of Labour and Social policy and the National Employment service

- Projects of other ministries and foundations

- Government investment programme
- Branch restructuring programmes

- NGO's projects
- International programmes:
- Pledge and others.
- Employer and employee organisations' projects.
- Employers' projects
- Company projects

- Vocational Training and Employment Fund
- Social Assistance Fund
- EU Pre-accession Funds
- World Bank

- Agricultural Fund
- Environmental Protection Fund
- Promotion of Small and Medium-sized Enterprises Fund
- Road Network Fund

- EU Pre-accession Funds
- Other sources

- Aid from others countries
- Foundations
- US Agency for International Development (USAID)

PROGRAMME FINANCIAL SOURCES

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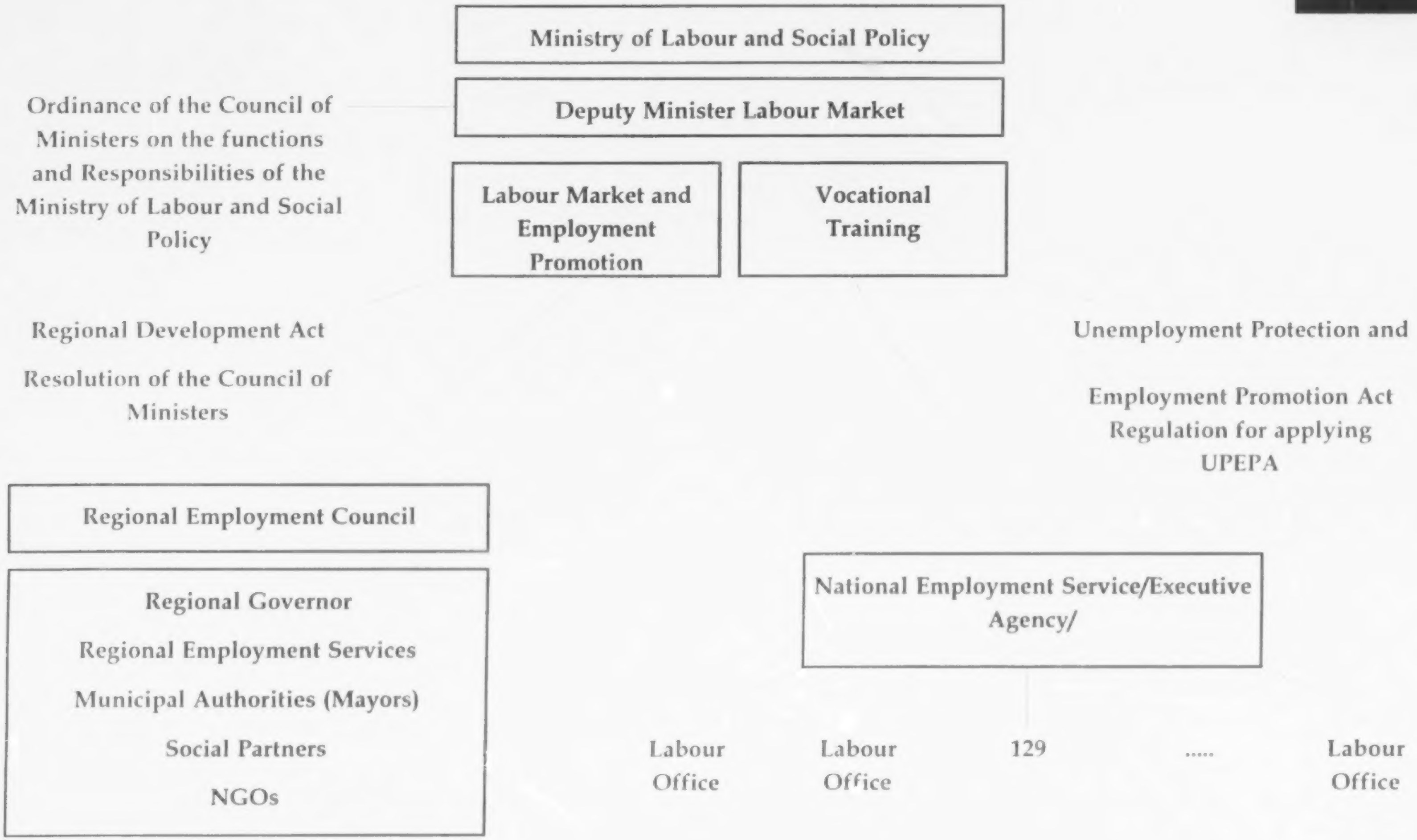
ANNEX 4


Ministry of Labour and Social Policy
Deputy Minister Labour Market
Ordinance of the Council of Ministers on the functions and Responsibilities of the Ministry of Labour and Social Policy
Labour Market and Employment Promotion
Vocational Training
Regional Development Act
Resolution of the Council of Ministers
Unemployment Protection and
Employment Promotion Act
Regulation for applying UPEPA
Regional Employment Council
Regional Governor
Regional Employment Services
Municipal Authorities (Mayors)
Social Partners
NGOs
National Employment Service/Executive Agency/
Labour Office
Labour Office
129
.....
Labour Office

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ANNEX 5

Council for reform in the education, science, culture, health and social sectors

- Deputy Prime Minister and Minister for Education and Science
- Minister for Labour and Social Policy
- Minister for Culture
- Minister for Health
- Minister for Finance

Consultative Committee

- Deputy Minister for Education and Science
- Deputy Minister for Labour and Social Policy
- Deputy Minister for Culture
- Deputy Minister for Health
- Deputy Minister for Finance

Executive Body of the Consultative Committee

Bulgarian Observatory for Vocational Education and Training and the Labour Market

……………

Experts
Social partners
Institutions
Final Beneficiaries

……………

International programmes of the Council Ministries and the Departments for International Cooperation

IICD; Phare; Socrates; Leonardo da Vinchi; BO	MLSP Phare, WB, UNDP	MC	MH	MF

ANNEX 6 - DEVELOPMENT PROJECT IN THE PERNIK REGION
Special Structural Funds Preparatory Programme

Steering Committee:
Chair: Minister for Labour and Social Policy
Members: Commission, MLSP, NES, MOReg Dev., MOI, Energy Committee, SME Agency, Social Partners

Reports, Approvals

CFCU

Memorandum of Understanding Signed By MOLSP and MORDev, Endorsed by the Commission

MLSP

International Activities Department (IAD)

Advisory Team
- Grants Scheme
- Institutional Development
- Contracts and Payments
- Monitoring and Supervision

Local Team
- Municipality
- NE Office
- Associations, e.g.
- BARDA
- Trade Unions

Regional Employment Council

Submission of Awards

Selection Committee

Approvals or Rejections

Applicants: Legal Bodies, Social Partners, Associations and NGOs

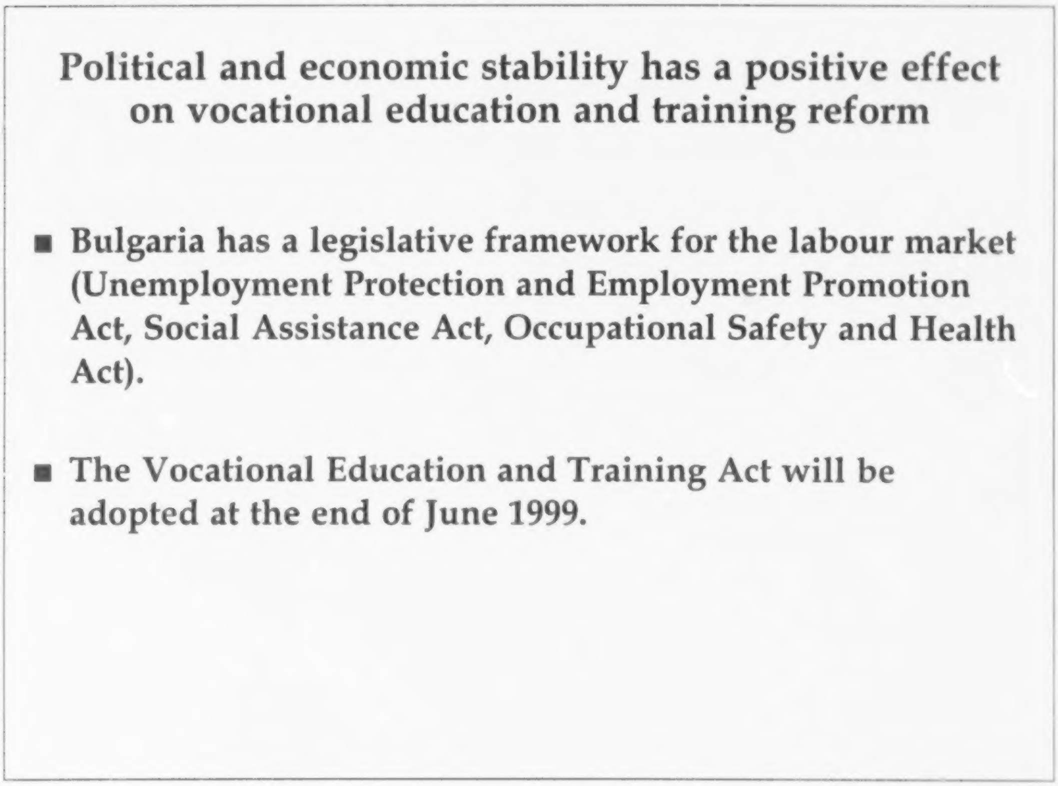
ANNEX 7
SLIDES

Presentation by:

Dr. Magdalena Ivanova
Ministry of Education and Science
Republic of Bulgaria

European Social Fund
Special Preparatory Programme
Training Programme

Brussels, 8 June 1999



Political and economic stability has a positive effect on vocational education and training reform

- Bulgaria has a legislative framework for the labour market (Unemployment Protection and Employment Promotion Act, Social Assistance Act, Occupational Safety and Health Act).
- The Vocational Education and Training Act will be adopted at the end of June 1999.

Vocational Education and Training:	**Adult Vocational Education and Training:**
■ is legally provided for by the Vocational Education and Training Act ■ plays a leading role, yet has to be backed up by constant research into the skill and qualification needs of the different regions.	■ needs to be developed as the skills and qualifications of the work force do not coincide completely with the demands of the labour market ■ is delivered by various types of companies and organisations, including vocational schools.

The adaptation of human resources to the new environment and to European integration is a priority of the National Development Plan of the Republic of Bulgaria 2000-2006.

The first draft of this plan has been submitted to the European Commission and the process of coordination and finalisation is currently underway.

The priorities, programmes and actions to be taken are in the areas of:

- maintaining the level of employment;
- creating a healthy work environment and an adequate social insurance system;
- developing the education system and all types of vocational education and training.

A programme to raise the level and qualifications of the work force, having regard to the priorities of the National Development Plan and the needs of the major industrial sectors, will be implemented by:

- broadly based initial training;
- the development of a unified vocational guidance system; and
- the promotion of on-the-job training.

The sectoral strategy for human resource development, including education and training, is based on the four pillars of the European Employment Strategy (Luxembourg Employment Summit, November 1999)

Strengths and weaknesses of the education and training system in Bulgaria

Strengths

- education and training reflect traditional values
- about 60% of secondary school graduates enter higher education institutions and colleges
- well-trained teachers and trainers
- an established network of educational institutions
- a system of financial support for students and trainees
- equal access to education and training

Weaknesses

- the demographic crisis and its impact on the system
- low prestige of the teaching profession
- obsolete equipment and facilities
- lack of a modern financial management system
- nsufficiently practical orientation in education and training

Priorities:

- vocational education and training
- education and training for people with special needs
- adult education and training
- development of a network of vocational training and re-training institutions
- improvements in management, facilities and equipment

These priorities are pursued through two operational programmes and related measures. The social partners participate in the development and implementation of the operational programmes.

Main conclusions of the ESF-SPP study visits

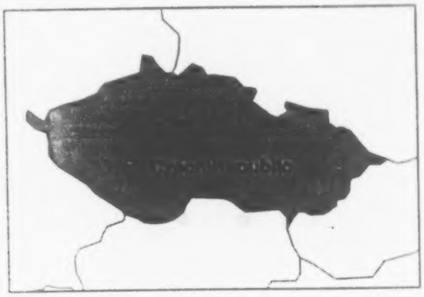
- There is a need for technical assistance to launch ESF activities.
- An administrative structure must be set up.
- A mechanism for financial management, monitoring and control, which complies with the Bulgarian legislation, is currently being developed.
- Two operational programmes, with various measures and projects, are being implemented.
- The training of regional and local administrators has been initiated.
- The social partners are involved in ESF preparatory actions.

Ministry of Education and Science

28 Regional Inspectorates - independent decentralised units, implementing vocational and educational policy in the regions

28 Regional Committees

28 Regional Vocational Guidance Offices
Vocational guidance and counseling



B.2.2
THE CZECH REPUBLIC

1 *Overview of the political framework*

Towards an Employment Policy Review

The process of reviewing employment policy in the Czech Republic began with discussions between representatives of DG V and the Ministry of Labour and Social Affairs last year and with the preparation of the **Background Study on Labour Market and Employment** (completed in June this year). It is proposed that further meetings between the European Commission and the Ministry of Labour and Social Affairs will take place on a regular basis to monitor policy and developments in the institutional framework.

The Background Study was drafted by an independent expert (D. Munich from CERGE, the leading institution in the field of economic and social research) who was selected by DG V. The purpose of the study was to survey major developments in the Czech labour market and to provide a background analysis for the employment policy review being prepared by DG V. The study, following guidelines drawn up by DG V, identified key issues in the labour market in the Czech Republic and provided comprehensive data, which is comparable to that found in the background studies of other pre-accesion countries, on each of these.

The main conclusions of, and problems identified by, the background study

- The weaknesses in the Czech labour market became apparent during the present economic recession, which is likely to last at least until the end of 1999.
- Excessive taxation of labour keeps the demand for labour depressed and encourages tax evasion and the growth of a black economy. The welfare system, which is based on a two-income model, is a disincentive to work and has an adverse effect on the supply of labour. More and more of the unemployed are liable to get caught in the welfare trap and they may be losing the connection to the labour force. It is, therefore, crucial to focus on policies to alleviate long-term unemployment, including preventative and early profiling measures.
- The extent of active employment policies is low by international standards. It is not only important that more funds be allocated to active programmes, but also that the effectiveness and cost efficiency of these programmes be monitored.
- Labour market institutions, which were started up successfully in the early nineties must be reinforced and made more flexible and able to cope, not only with massive increases in unemployment, which are expected to continue, but also with future demands for labour and with technological change.
- The vocational education system is becoming inceasingly aware of its poor response to current labour market needs. It must, however, also focus on long-term needs. In this reagrd, the system appears to be over-stratified and incapable of providing sufficiently flexible skills. This may be

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something to be considered when plans to overhaul the system are being made. (The Ministry of Education has prepared a paper on "New ideas for Education and the Development of the Educational System", which is to be discussed nationally, and which will be followed, before the end of 2000, by a White Paper on Education.) The major challenge for schools is to provide an educational base which will allow people to acquire different and new skills during their productive years.

- Although continuing training is becoming increasingly necessary to ensure that people remain employable, the government has yet to develop a systematic approach to it. There is no single institution responsible for continuing training and for coordination, which means that there is no proper quality control, certification of courses or information on training providers and their programmes.
- Of equal importance is the fact that the social security and pension system is not preparing to cope with an ageing population, which is due to reach crisis proportions around 2007. Under the pay-as-you-go system, which is likely to be retained, the statutory retirement age will have to be raised further and early retirement options will have to be made less attractive or cut out altogether. As the value of pensions will, more than likely, decrease when old age becomes a significant demographic force, more incentives for additional private pension schemes should be introduced now.
- Over the last few years, foreign labour has become a significant substitute for local low-skilled labour, especially in the construction industry. At the same time, the number of illegal foreign workers (especially from the former Soviet Union) has grown. Foreign workers are often prepared to work under safety and pay conditions, which are far from acceptable to the local labour force. It is not clear whether stricter laws on importing foreign labour would, in the absence of parallel monitoring measures, lead to a decline in the illegal employment of foreign workers.
- The work and social problems of the Romany population are now receiving more public attention and a number of important programmes have been started, but there is still a need to provide more long-term solutions. Two issues stand out: a high reliance on welfare, especially for typical families, who have a large number of children and generous social support; and extremely low educational attainments, even among the young .

Towards the National Development Programme Phare 2000

In recent months, there has been great progress in sectoral and regional policies. The Government has approved an Economic Strategy towards EU Accession and plans for industrial and traffic policies as well as proposals from the Ministries of Labour and Social Affairs and Education, Youth and Sports on their activities up to 2002. There has been a lot of political debate on the labour market and education documents: **the National Employment Plan** and **Education and the Development** of **the School System**. For each of the larger, self-governing regions (which correspond to the NUTS III level), regional strategies have been developed under the supervision of the Ministry for Regional Development. These strategies and policies form the basis of the National Development Plan that is currently being prepared. The National Programme Committee manages the implementation of the plan for Economic and Social Cohesion and this committee is directly responsible to the Czech government.

The Ministry of Labour and Social Affairs and the Ministry of Education, Youth and Sport, in cooperation with other involved partners, in what is known as the Preparatory Committee, have prepared a Consultation Document on Human Resource Development. This is based on the National Employment Plan that was approved by the Czech government at the beginning of May 1999 and on the paper on education and the development of the school system mentioned above.

The National Employment Plan

The two main objectives of the National Employment Plan are:

- to find solutions to the fundamental problems of the Czech labour market and
- to prepare for EU accession, i.e. by developing a national employment plan that conforms to the EU Employment Policy Guidelines.

The National Employment Plan is based on four pillars:

- improving employability;
- promoting the demand side of the labour market;
- enhancing labour market adaptability and flexibility; and
- eliminating all discrimination
- Measures referred to in the National Employment Plan are directed, primarily, at the following areas:
- promoting job creation;
- encouraging efforts to seek employment and removing the welfare trap;
- matching training for employment with labour market needs;
- enhancing the effectiveness of active labour market policies; and
- providing adequate organisational, personnel and financial resources to the employment services

The Czech National Employment Plan attempts to meet two key objectives:

a) redefining priorities for national employment policies; and

b) reconciling national employment policies with EU standards.

- In achieving these objectives, it aims to respond to expected labour market trends and to base the measures it develops on the results of an employment policy screening exercise that took place in 1998.
- Because it also needs to coincide with EU policies, the Czech National Employment Plan has been designed to provide a policy basis for human resource development and to meet the objectives of the EU Structural Funds (particularly the ESF).
- The Sectoral Operational Programme on Human Resources Development is expected to become the key tool for linking Czech and EU employment policies.

Conception of education and the development of the school system

The public debate will continue until May 2000. It is expected that the White Paper on the "National Programme for Education Development in the Czech Republic for 21st Century" will be completed and approved by the government by the end of 2000.

The discussion document, "Education and the Development of the School System" deals with all the major problems identified in the Czech education system by local experts and analyses, OECD analytical studies and Phare analytical and support projects (such as the Phare Vocational Education and Training Reform Project). The problems are:

- *equal opportunities*, i.e., the need to increase the level of participation of socially deprived groups and to ensure access to third-level education for 50% of the population by 2005 so that the average of length of education in the Czech Republic approaches that of the EU;
- *the content and results of education*, which could be improved by the development of a national curriculum with an emphasis on key skills and competencies to enhance employability, by the

promotion of lifelong learning and training in democracy and by the implementation of the state maturita examination system and of measures to increase access to education;

- *the structure of education*, i.e., the need to develop third-level education and to implement a programme for the systematic development and support of continuing training; and
- *finance*, i.e., the need to increase public expenditure on education from 4.5% of GDP to 6% by 2002, to implement innovative programmes for schools and to improve continuing training for teachers.

2 Preparation for Phare 2000 National Development Plan and projects to be financed

Preparatory measures and documents necessary for drafting the National Development Plan are at an advanced stage.

The institutional structure

- **The Ministry for Regional Development**, as the body responsible for preparing the Czech Republic for the implementation of Structural Funds, is the coordinating body. The Ministry of Labour and Social Affairs, on the other hand, is responsible for the coordination and management of the ESF.
- **The National Programming Committee and the Monitoring Committee** in the area of economic and social cohesion have been set up by the Ministry for Regional Development. Both committees consist of representatives of the key ministries, social partners, regions and districts and institutions for the development of human resources, science and research. The strategic task of these committees is to coordinate the activities necessary for the incorporation of the Czech Republic into the economic and social cohesion and coordination programmes of the EU.
- **At the regional level**, 14 NUTS III units have been created for statistical and analytical purposes. In 1998, a governmental order set up Regional Coordination Groups which, in 1999, changed into **Regional Steering and Monitoring Committees**. Members of the Committees are nominated by the Ministry for Regional Development and are responsible for the development, implementation and supervision of the regional action plans, as well as for coordination of the activities of all institutions involved in developmental activity. The Committees have established several working groups. These provide expertise in specific fields, such as economic development, human resource development, the environment, tourism, international cooperation, health and social services, agriculture and rural development.
- **A Preparatory Committee on Human Resource Development** was also established. This is chaired by a respresentative from the Ministry of Labour and Social Affairs. Recently, it has been renamed the Programming Committee for the Sectoral Operational Programme for Human Resource Development.

The regional analyses and strategies for all 14 NUTS III regions have now been completed. The ministries concerned have prepared their policy and strategy documents. Based on these documents, the eight regional committees, which are newly created administrative units at NUTS II level, and the sectoral committees have drawn up **Consultation Documents,** which contain the main analytical conclusions, SWOT analyses, strategic objectives, specific objectives, methods of goal achievement, priorities and indicators and proposals for funding, including co-financing.

The SWOT analysis presented in the Consultation Document on Human Resource Development is basd on the analysis of relevant sectoral policies, as well as the human resource development sections of SWOT analyses prepared as part of the 14 regional development plans.

These Consultation Documents are now being discussed by the partner institutions who will reach a joint agreement on the main objectives to be achieved at sectoral and regional levels. The National Development Plan will then be drafted by the Ministry for Regional Development. The final version of this plan will be submitted to the European Commission by December 1999.

The Consultation Document has been developed in the knowledge that there are still no institutional structures and instruments to support the systematic development of human resources in the Czech Republic. This is why the Consultation Document considers the necessity of supporting both institution-building and instruments aimed at promoting employment and improving qualifications.

The strategic aim of government policy for human resource development, as defined in the draft Consultation Document, will be to achieve "a high and stable level of employment, based on a highly qualified and flexible work force".

The specific objectives are:

a) to increase employment by creating more job opportunities and by supporting employability;

(Summary indicators: levels of unemployment, unemployment levels of specific groups and levels and types of qualification and education.)

b) to develop a system of lifelong learning which would link initial and continuing education;

(Summary indicators: total duration of education and GDP share spent on education and training.)

c) to strengthen human potential in research and development;

(Summary indicators: proportion of the work force engaged in R&TD and GDP share spent on R&TD.)

The costs of the above will be quantified in the Operational Programme on Human Resource Development.

Increasing employment and the flexibility of work force will require:

- increased adaptability, more training and the creation of new jobs, especially in deprived regions and for groups who are marginalised or at risk;

  (Indicators: number of jobs created, numbers of participants in training programmes, numbers of employers involved and the level of involvement of of SMEs)

- the development of institutions to support access to the labour market and to ensure its transparency;

  (Indicators: the increased capacity of labour offices, the proportion of employment service staff dealing with analyses and forecasts and the numbers of people using counselling services)

- the reintegration of groups at risk of social exclusion

(Indicators: the level of long-term unemployement, the number of disabled and people with low qualifications, the level of participation in specific support and training programmes)

The development of lifelong learning will require:

- the development of a system of continuing education;

- the extension and diversification of higher education; and
- the further development of primary, secondary and upper secondary education with regard to life long learning requirements.

Indicators: participation, investments, number of graduates

Strengthen human potential in research and development will require

- the development of personnel capacities for R&TD in schools and enterprises and the creation of linkages between these two types of institution.

Indicators: number of R&TD staff in the government, university and enterprise sectors and R&TD expenditure of these sectors.

It is planned to include the objectives and measures proposed in the Consultation Document and the National Employment Plan in the pilot Operational Programme for Human Resource Development, which is currently being prepared. It is important that this be carried out in an effective and timely manner. To this end, a methodology for the Sectoral Operational Programme for Human Resource Development will be developed in July 1999. This will indicate how the objectives and priorities of the National Employment Programme can be transposed and taken into account in the final Operational Programme. Furthemore, the overall strategy on employment and human resource development, which will take due account of the four pillars of the European Employment Strategy and the five policy fields of the ESF, will be completed by the Ministry of Labour and Social Affairs in July 1999,.

At the same time, the Sectoral Operational Programme on Competitiveness (part of which is also directed at human resource development) and three pilot Regional Operational Programmes are being prepared.

3 Complementarity and partnership

There are several ministries involved in drawing up employment policy: the Ministry of Labour and Social Affairs; the Ministry for Regional Development; the Ministry of Industry and Trade; the Ministry of Education, Youth and Sports; and the Ministry of Transport and Telecommunication. The role of the last two is, however, rather limited. The Ministry of Transport and Telecommunication finances basic public transport services (e.g. public bus and rail services). Another body which has an important role in forming employment policy is the "consultative body". This is a *tripartite* body, composed of representatives of the trades unions, employer associations and the Ministry of Labour and Social Affairs, which holds the chair. Important Ministry of Labour and Social Affairs documents, such as the National Employment Plan, etc., are discussed in the tripartite body

The Ministry of Labour and Social Affairs is the main administrator of the European Social Fund and has gradually built up the institutional structures necessary to prepare programme documents. It will continue with its preparations for the ESF on the basis of the financial means it has at its disposal. The Ministry of Labour and Social Affairs is aware of the need for all the ministries and institutions involved in the areas of employment and human resource development field, on central, regional and local levels, to make common progress. In February 1999, therefore, the Ministry of Labour and Social Affairs set up a **Preparatory Committee,** which prepared the Consultation Document as part of the National Development Plan in the area of human resources development. At the moment, the Preparatory Committee is being re-organised and the Ministry of Labour and Social Affairs is establishing a **Programme Committee** to implement a pilot Operational Programme on human resource development. It is expected that all the major partners - ministries, labour offices, school admininstrations, universities, regions, the non-profit sector, social partners and others - will be represented on this committee. The committee will concentrate on the coordination and monitoring of activities connected with preparations for the European Employment Strategy and the European Social Fund. It main role is to prepare programme documents and to coordinate and monitor the Phase programme projects. In addition, the Committee will set up the ESF administrative structures and formulate the rules for the operation of the ESF in the Czech Republic. The Committee will operate as a subcommittee of the previously mentioned National Programme Committee for Economic and Social Cohesion.

In general, the sectoral and regional consultation documents were prepared on the basis of partnership and cooperation among the major partners. It is expected that the same type of cooperative procedure will apply to the drafting of the operational plans and to the various stages of implementation and monitoring.

The regional level

The membership of the Steering and Monitoring Committees and with their working groups is a cross-sectoral representation of all authorities and institutions in the region. The state administration and economic associations have the strongest representation. The education sector is represented, mainly, by universities. As far as the social partners are concerned, employers are much better represented than employees (trade unions). Local voluntary associations and non-governmental organisations are poorly represented.

4 Co-ordination at the national level between the three fields of intervention

Preparations for the participation of the Czech Republic in the Structural Funds is coordinated by the Ministry for Regional Development. The Ministry of Labour and Social Affairs, on the other hand, is responsible for the coordination and management of the European Social Fund. Some accession-related measures have already been approved. The Principles of Regional Development have beed adopted, pre-entry institutional structures have been set up and the Czech Republic has been divided, for statistical and analytical purposes, into eight NUTS II regions. In addition, the Ministry for Regional Development is to create eight Regional Management and Monitoring Committees for the Regional Operational Programmes in all the NUTS II areas and will draft a National Development Plan.

5 The institutional framework for employment policies and ESF implementation

Institutional framework

Employment policy is coordinated by the **Employment Services Administration** of the Ministry of Labour and Social Affairs. The responsibilities of the Employment Services include:

(i) monitoring the situation on the labour market;

(ii) defining employment policy, particularly with regard to pressing problems like the employment of low skill worked andr minorities;

(iii) actively supporting job creation;

(iv) supporting the organisation of vocational training;

(v) administering the employment policy budget and deciding on the local allocation of fiscal resources; and

(vi) coordinating the network of District Labour Offices (including supervision, and the provision of advice and technical, financial and methodological support).

There are 77 **District Labour Offices** and 238 branch offices. The network of Labour Offices is directly subordinate to the Ministry and there is no intermediate administrative level. Labour Offices have a fairly wide area of discretion in implementing employment policies. Their primary task is job counselling and the payment of unemployment benefits. In addition to the administration of active employment policies, the Offices also monitor and enforce the compliance of employers with legal regulations (e.g. in the areas of worker protection and work permits for foreigners). The Employment Services and its network of District Labour Offices do not administer the system of state social support. District Labour Offices are also crucial in organising the cooperation of the social partners on the district level as these are all members of the Office director's advisory board. This is particularly important when the national-level tripartite negotiations break down.

The existing two-level network of labour offices is likely to be modified in next few years, i.e., by 1 January 2000 when Law No. 347 of 1997 comes into force and 14 new regions are set up. These units are about half the size of the EU's NUTS II territorial units. According to the Principles of Regional Policy, which was adopted by the government in 1998, the new regions will be legally responsible for social development.

An important role in the institutional framework is played by the National Training Fund, which was established, under new conditions, in December 1998 by the Ministry of Labour and Social Affairs. The Board of the National Training Fund is a statutory body chaired by the Minister of Labour and Social Affairs. The Fund manages and implements most of the human resource development programmes in the Czech Republic. It also provides technical assistance in the Phare programmes for the Ministry of Labour and Social Affairs.

Legislative Framework

In the last two years, the Czech government has adopted several measures to set up a legislative framework for the Structural Funds.

Government Resolution no. 159/98 entrusted the Ministry for Regional Development with the overall coordination of preparations for the Structural Funds and the same Government Resolution appointed the Ministry of Labour and Social Affairs as the institution which is mainly responsible for the coordination and administration of the ESF.

The necessary institutional structures have started to be built on the basis of another measure, **Government Resolution no. 417/98**. There are many such structures in the Czech Republic and some of them have already started operations. The National Programme Committee for Economic and Social Cohesion, the Monitoring Committee for Economic and Social Cohesion, for example, play an important overall coordination role in the preparation for the Structural Funds. Both of these committees are responsible to the government. There are also eight Regional Steering and Monitoring Committees, which are responsible for the preparation of programme documents on the regional, NUTS II, level. These committees produce regional Consultation Documents for each NUTS II region. Their remit includes setting up working groups in different areas, including human resource development, as recommended by the Consultation Documents. It is expected that the members of the eight existing working groups for each NUTS II region will be linked with the Programming Committee for the Pilot Sectoral Operational Programme for Human Resource Development through a special Regional Committee. This link is intended to ensure a balance between sectoral and regional programmes.

In January 1999, the Czech Government approved another measure to advance preparations for the Structural Funds, **Government Resolution no. 40/99**. This resolution entrusts the Ministry of Labour and Social Affairs with the task of working out the Pilot Sectoral Operational Programme for Human Resource Development in close cooperation with the Ministry of Education, Youth and Sport. The resolution also seeks to ensure that conditions for the implementation of pre-Structural Fund support and the PHARE 2000 programmes (co-financing, proposals for monitoring and evaluation systems etc.) are met. These tasks are being carried out, gradually, in cooperation between all the ministries involved.

6 Implementation and financial/accountability mechanisms

On 12 October 1998, **the Memorandum of Understanding on the Establishment of the National Fund** was signed between the Minister of Finance of the Czech Republic, and a Member of the European Commission, on behalf of the European Community.

The Memorandum sets out the regime for receiving, using, monitoring and controlling funds transferred from the European Union.

In compliance with the Memorandum, **the National Fund** was established in **the Ministry of Finance of the Czech Republic** on 29 December 1998, with effect from 31 December 1998. The Fund is the central point of state administration for transferring, to the Czech Republic from the EU, funds to finance programmes and projects in accordance with the respective Financing Memoranda.

In order to ensure the functioning of the National Fund, in accordance with the Memorandum, an appropriate structure was set up and the competencies of **the National Aid Coordinator** and of the **National Authorising Officer** were defined.

To ensure that it operates effectively, the National Fund was set up within the Department of the State Budget in the Ministry of Finance. This creates a link between the structure and mechanisms of EU finances and the state budget. It allows for transparency in the transfer of money from the EU budget and in co-financing from the state budget and other public funds.

Following an agreement between the Minister of Finance and the Governor of the Czech National Bank, deposit accounts in Euros have been opened, all of which are in the name of the Ministry of Finance.

The Phare Programmes will be implemented by **Implementing Agencies**. These will have the right to dispose of the funds in their own (sub) deposit accounts. These accounts will be used to make payments up to stipulated limits and in compliance with pre-determined criteria.

The funds held in these accounts will be treated as funds in the accounts of the state financial assets, as this allows funds to be carried over into the next financial year. The **Financing Agreements** concluded between the National Fund and the Implementing Agencies ensure that the requirements for accounting, control and auditing will be respected, i.e., that accounting, control and auditing will be in accordance with the requirements of the EC, with national regulations and, where appropriate, with any further requirements stipulated by the National Authorising Officer.

A **Joint Monitoring Committee,** consisting of the National Aid Coordinator, the National Authorising Officer and representatives of the EC, will be set up to assess the implementation of the programmes financed from EU funds and to monitor and evaluate these programmes on the national level. The data for the work of the Joint Monitoring Committee will be prepared by the Monitoring Sub-Committee, which, in addition to the National Aid Coordinator, the National Authorising Officer and representatives of the EC, will also include the officers responsible for the management of the individual programmes or projects **(Programme Authorising Officers).**

Programming and coordination falls within the competence of the **National Aid Coordinator.** The programming and coordination of foreign aid is overseen by the section for the Coordination of Foreign Aid in the Central Department of Foreign Assistance.

Financial management is the responsibility of the **National Authorising Officer**. The activities of the National Fund are supervised by the Department of the State Budget and the Department of Final State Accounts.

Control over the use of EU funds is exercised, on all levels, in the form of ex-ante control, ongoing control and ex-post control and is carried out in accordance with the relevant national and EC regulations. This control applies to both the financial and technical aspects of the use of EC funds. It is implemented at all stages of the preparation, implementation and completion of the programmes and projects.

The establishment of the **Central Financial and Control Unit (CFCU),** which will monitor procedures, contracting process and financing of the projects is in its final stages.

Agreements about the responsibilities of different ministries are also being prepared. These will be signed shortly.

At the same time agreements between the Ministry of Finance (National Authorising Officer) and the Implementing Agencies (Programme Authorising Officers) will be signed.

7 *Monitoring*

In accordance with Council Regulation No. 2081/93, the Czech Republic is preparing an information system for monitoring the implementation of Structural Fund programmes.

A short-term objective is to analyse how to make full use of the Structural Funds and to compare the efficiency of information systems in the Member States with the present system for monitoring public investment in the Czech Republic.

A long-term objective is to set up a proper information system, which will be fully operational after accession to the EU.

Information needs have been defined, and so have the main beneficieries of information. A report on this issue was used as a basis for the government decision which resulted in the Ministry for Research and Development launching three projects to develop the system.

8 *Evaluation practice and skills available in the candidate country*

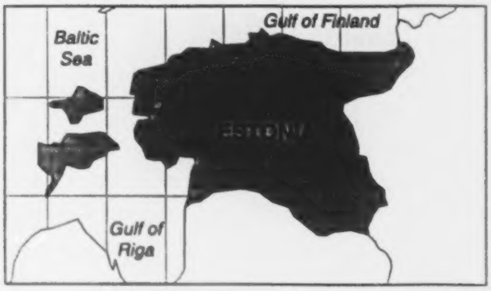
The Czech Republic has acquired a lot experience of ex-ante and on-going control through the long-term implementation of the Phare programme. Programme Monitoring Units and other responsible bodies operate in accordance with the Decentralised Information Systems Manual and monitoring has been undertaken by the EU Delegation.

This expertise is available not only within the Programme Monitoring Units. There are other programmes, financed by Phare, which have started a learning process for both administrators and implementors.

This is particularly the case with PALMIF, which was set up to build up competence in project design and management in public administrations at district level. Seventy-seven Job Centres have been set up under this programme and at least one person in each of these has been trained to provide support to promoters. In addition, 38 districts were entrusted to run the PALMIF programme, using the same procedures as at national level but in a decentralised way. This project is another step towards the adoption of the ESF implementation procedures. Training programmes for other national and regional bodies responsible for the administration and implementation of the Structural Funds will also benefit from this experience.

9 *The main lessons learned from the study visits*

- Administrative structures in different countries are different but the decentralisation of responsibility for project management and finance to the regions is crucial in all.
- It is necessary to prepare for a system for continuing education in the Czech Republic and to avoid the problems caused by delays in payments by putting a pre-financing mechanism from the national budget into place.
- The roles and responsibilities of the ESF missions must be understood.
- Technical assistance, which provides technical support and advice to ESF administrators as well as to project promoters submitting requests for funding, is essential.
- The importance of monitoring the labour market in the preparatory phase of the programmes should be borne in mind as it is necessary to be able to predict the demand for qualifications.
- There is a need to coordinate all human resource development measures, implemented under various sectoral operational programmes and regional operational programmes.
- Schools should be encouraged to play a more active role in the training of adults.
- The EU should develop a methodology for operational programmes to ensure a balance between the four pillars and the five policy fields.
- The difficulties in achieving synergy between the ERDF and the ESF should be examined.
- There is a lack of information about the next future programming period (and the Czech Republic is most interested in this).
- Balanced partnerships allow sufficient scope for partners inputs without paralysing decision-making.



B.2.3 Estonia

1 *Towards an Employment Policy Review*

The Background Study on Labour Market and Employment in Estonia was drafted by an independent expert (Raul Eamets from the University of Tartu) in the middle of June. The aim of this study was to provide a background analysis of the current situation in the Estonian labour market, in terms of employment status, the employment policy institutions, employment policy delivery mechanisms and the connection between vocational education and the labour market.

2 *Preparation of the Phare 2000 National Development Plan*

The preparation of the Estonian National Development Plan started at the end of 1998. The first draft was presented to the Commission on the 31 March 1999 and the second draft is expected to be ready by 1 July 1999.

The way responsibilities for the SPP and the National Development Plan are divided between the ministries is described below (see Annex 1 on the overall administration of the SPP).

1. The Ministry of Finance is the leading ministry.
2. The Central Coordination Unit and Programming Unit within the Ministry of Finance is responsible for drafting the National Development Plan and the Strategic Planning Document.
3. The different parts of the National Development Plan are prepared by the relevant ministries:
    - 3.1. Employment Action Plan – Ministry of Social Affairs;
    - 3.2. Development of Communication Infrastructures – Ministry of Transport and Communication;
    - 3.3. Agriculture and Rural Development – Ministry of Agriculture;
    - 3.4. Regional Development – Ministry of Internal Affairs;
    - 3.5. The promotion of entrepreneurship and small and medium sized businesses - Ministry of Economic Affairs; and
    - 3.6. Restructuring industry and reskilling the labour force – Ministry of Economic Affairs.

3. The Ministry of Agriculture is responsible for preparations for SAPARD.

4. The Ministry of Environment, the Ministry of Transport and Communications and the Ministry of Finance are responsible for preparations for ISPA.

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5. Responsibility for the management and implementation of the pilot projects are assigned as follows:

    5.1 industrial pilot project - Ministry of Economic Affairs;

    5.2 rural development pilot project - Ministry of Agriculture; and

    5.3 coordination of the pilot projects between the ministries -Ministry of Internal Affairs.

The Central Coordination and Programming Unit (CCPU) was established in the Ministry of Finance on the basis of Government Decree No 1036k on 5 November 1998. The CCPU organises the meetings of the SPP Contact Group, which consists of representatives of the parties involved. There are two meetings held every month. At one of these, which is held on the second Monday of each month, the overall implementation issues are discussed by the Contact Group. At the second, which is held on the fourth Monday of the month, the progress of the previous month is discussed by the people responsible for the different measures and the members of the Monitoring Committee. The CCPU is responsible for keeping the EU Delegation informed and for inviting representative from the Delegation to attend meetings.

A working group has been set up for each sub-plan prepared in the framework of the National Development Plan. The membership of the different working groups is partly the same and this ensures maximum information flows between the different plans. The representatives of the different working groups also meet in the Contact Group mentioned above.

Decentralised implementation is applied with the aid of the Central Financing and Contracting Unit in the Ministry of Finance. The SPP Monitoring Committee is a supervisory and monitoring institution, the first meeting of which took place on 18 November 1998.

Current state of the Employment Action Plan and other relevant sub-plans

The working group for the preparation of the Employment Action Plan for employment was set up in January 1999 and is made up of representatives from employers' and employees' organisations, relevant ministries and universities. The Employment Action Plan is based on the European Employment Guidelines. However, the content and priorities laid down in the plan are slightly different from the original guidelines and reflect the current state of development and the problems facing Estonia.

The aim of the **Employment Action Plan (EAP)** is to achieve maximum levels of employment by contributing to the development of a labour force that is educated, adaptable and matches the needs of the economy.

The main weaknesses and threats to the Estonian labour market are identified by the SWOT analyses in the framework of the Employment Action Plan and are as follows:

- deficiencies in the analysis of changes in the labour market and strategic planning systems;
- significant levels of hidden unemployment and employment;
- regional disparities and resulting regional differences in employment levels;
- a rise in dropout levels from basic schools;
- an increase in the number of general secondary school graduates and a fall in the number of vocational school graduates;
- low quality of vocational education and incompatibility with labour market needs;
- lack of instruments to support continuing training for adults;
- insufficient development and inadequate staffing and funding of labour market institutions;
- predominance of passive labour market measures;

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- the negative image of employment offices;
- low levels of awareness and lack of cooperation between institutions dealing with employment matters;
- over-representation of groups at risk (long-term unemployed, inactive, young, non-Estonians) on the labour market;
- slowness in launching programmes targeted at disadvantaged groups in the labour market;
- poorly developed social dialogue at the sectoral and company levels;
- low participation of workers in trade unions;
- deepening poverty among the population;
- low mobility of workers;
- an inadequate legal base; and
- low levels of public awareness of gender equality problems.

The SWOT analyses led to the identification of the following objectives as priority, for each of which a corresponding set of measures is to be implemented:

1) improving labour market policy measures and increasing their flexibility;

   (This is the most comprehensive and significant area. The measures envisaged differentiate between different target groups and regional needs and include increasing the regional mobility of workers, promoting lifelong learning and creating new opportunities for adult training, providing for the training of trainers, developing counselling and guidance systems etc..)

2) improving the social dialogue at regional and sectoral levels;

3) developing flexible forms of employment;

4) ensuring equal opportunities on the labour market; and

5) strengthening labour market institutions and services.

Improving the legislative base is an essential horizontal tool of the Employment Action Plan and covers all the priority areas. Relevant legal acts, which need updating, are outlined in each chapter. In addition, the **National Plan for the Adoption of the Acquis** identifies the following medium-term priorities in the field of labour law:

1) the adoption of the Labour Code by the Riigikogu, which will bring an end to the transfer of the principles of all the Directives governing this field;

2) the harmonisation of supplements and amendments to the directives. (scheduled for 1999-2002);

3) signing the following conventions, which is subject to the adoption of the Labour Code, -

   - C.122 Employment Policy Convention, 1964 (ILO)
   - Recommendation No.122 Recommendation No.169 C. 142 Human Resources Development Convention, 1975 (ILO);
   - Recommendation No.150 C. 159 Vocational Rehabilitation and Employment (Disabled Persons), 1983 (ILO).

The estimated costs involved are:

- Administrative costs: EEK 932,490,500 (ECU 59,508,008); and
- Investment costs: EEK 31,935,000 (ECU 2,037,970).

The Estonian Employment Action Plan does not cover entrepreneurship, which is the subject of a separate plan, **"The promotion of entrepreneurship and of small and medium-sized businesses"**.

There are various obstacles to growth in the SME sector in Estonia.

Taxes (salary-related and corporate income tax).

Although the general level of taxation is not high in comparison to EU rates (the flat rate is 26%), it should be noted that:

a. businesses probably do not see taxes as "good value for money", and are not aware of the relationship between taxes and government support programmes to the SME sector; and

b. the way taxes are perceived as a burden differs according to the type and size of enterprise involved.

Taxation is a very sensitive political area and there will have to be further discussions with and within the private sector before the issue is resolved.

Financing problems

Interest rates are high and the availability of investment and working capital loans and of collateral which is acceptable to financial institutions are all limited. Other problems include:

- excessive bureaucracy and paperwork;
- unavailability of skilled labour; and
- the small size and limited solvency of the domestic market.

The analysis of these problems has led to the identification of five priority areas for the development of the SME sector:

1. improving the business environment;
2. stimulating investment;
3. stimulating exports;
4. alleviating regional disparities; and
5. stimulating job creation and the training of employees.

According to the **Guidelines on Regional Policy in Estonia,** the main objectives of regional policy are the creation of growth potential and self-reliance in the regions. The policy strategies envisage vigorous regional economies, which do not rely on constant subsidisation by the state. The state supports this trend by helping to create a suitable environment for this process. Thus regional policy addresses the whole of the country.

The government gave its approval to six regional policy programmes to provide development grants for problematic regions at the end of 1995.

- The programme for backward regions aims to improve infrastructure in agricultural regions, improve trade, build up local industries and improve the local economic base. The regions in the southern and central part of the country are likely target areas.
- The programme to assist islands aims to improve living conditions on small, inhabited islands so as to encourage islanders to continue living there. The focus has been on infrastructure, communications and the provision of a power supply and of primary education.
- The programme to promote rural initiatives focuses on "life-style". It includes village development and covers the entire country.

- There is a programme to assist border regions, mainly along the Russian-Estonian border and also along the southern border with Latvia.
- A programme for one-industry settlements focuses on settlements where employment was, or still is, dominated by one large enterprise. These were frequently in the food sector and their products were exported to markets throughout the former Soviet Union. The programme aims to diversify the economic base and to create new jobs, thus avoiding potential social crises in those settlements in the future.
- There is a special programme for Ida-Virumaa region in the North-eastern part of Estonia. This region was dominated by large enterprises producing oil-shale, electricity and various goods for the Soviet market. The workforce in these enterprises consisted mainly of Russian immigrants. The programme promotes the integration of this immigrant population into Estonian society.
- There is also a special programme for the South-eastern Setumaa region. This was started in 1997 and the aim of the programme is to promote this border region in general and also to help Estonians who are living on the other side of the new Estonian-Russian border to settle on the Estonian side of divided Setumaa.

In 1995, the government created a loan support system for SMEs, making loans available in cases where bank loans would not be granted due to lack of collateral.

Vocational education and training policies

The Ministry of Education has started an active reorganisation of the school system. This has involved an analysis of the schools' development plans, the outcomes of teaching and training, regional characteristics and the effectiveness of financing. There has been opposition to every change that has been introduced and the lack of willingness to cooperate, among the different interest groups involved, has meant that the process has been slow and time-consuming.

There have been several bilateral aid programmes to support and develop the vocational education and training system in Estonia in the past few years. One of the most complex programme was the EU PHARE Vocational Education and Training Reform Programme, which was completed in 1998. The programme had five components:

- programme and curriculum development;
- teacher and management training;
- upgrading of equipment;
- partnership linkages with EU schools; and
- policy development and dissemination of the programme's achievements and results.

One of the major achievements of the programme was that it brought together the representatives of the social partners and the Ministry of Education. This has ensured that vocational education and training provision is, and will continue to be, geared towards the needs of the employers This is important for the continuation of the structural reform process.

Other achievements include:

- identifying the appropriate occupational standards;
- converting these into curricular profiles and programmes and measurable standards (13 course curricula based on a standard modular system);
- delivering programmes at school-level;
- making the learning processes more attractive to the students (through teacher and school management training programmes); and

- assisting the Ministry of Education and participants to draft policy documents (amongst others, the Vocational Education and Training Policy Document, which was approved by the Government in January 1998).

Currently, there is another EU Phare project underway. This one is aimed at developing regional vocational education centres.

3 Complementarity and partnership

There are different ministries involved in preparing employment policy: the Ministry of Social Affairs; the Ministry of Education and the Ministry of Economic Affairs.

Social partners are directly involved in working groups. Another important tool for involving social partners is the Social and Economic Council, which was set up:

1) to contribute to the development of a balanced national social policy and socio-economic development and to the formation of a civic society;
2) to promote socio-economic dialogue and partnerships and develop and democratise employment relations and legislation;
3) to contribute to the safeguarding of basic rights and liberties of parties in employment relations;
4) gradually to reduce the regulative role of the state in socio-economic issues; and
5) to increase the competitiveness of business, raise the level of employment, reduce social exclusion and formulate national, economic and social policy.

The tasks of the Social and Economic Council will be to monitor socio-economic processes and macro-economic relations, to provide consultation and to submit recommendations and opinions to the decision-making institutions. The draft Employment Action Plan will be discussed in the Council.

Representatives of different regions are involved In some of the working groups. In other cases, seminars or meetings have been organised to inform the representatives of the counties. The latter are directly involved in pilot projects. In the later stages of the preparation of the National Development Plan, closer cooperation and consultation with the local authorities is envisaged.

4 The institutional framework for employment policies

The governing labour market institution in Estonia is the Ministry of Social Affairs. On 1 February 1993, the Ministry of Health, the Ministry of Social Security and the Ministry of Labour were reorganised into the Ministry of Social Affairs. The main tasks of new Ministry involve planning social policies and tackling social problems, principally in the spheres of:

- employment and income policy;
- health protection and medical care; and
- social security and social insurance.

In April 1999 the restructuring of the Ministry of Social Affairs was adopted. The new post of Vice-Chancellor for Employment and a new department for labour market issues were created.

The Estonian Labour Market Board was established in April 1991 under the jurisdiction of the Ministry of Social Affairs. Its main tasks are:

1) to administer labour mediation services, bringing together employees and employers and pursuing the following activities:
    - collecting information on vacancies,
    - employment mediation,
    - providing information on opportunities for training activities, and
    - providing direct employment training, training grants, subsidies and community placement ; and
2) to organise unemployment registration, to regulate the payment of benefits to the unemployed and to supervise this process;

    There are employment services established all around the country. Each of the 15 counties and the capital, Tallinn, has at least one employment office, but in many counties there are more. There are 46 local offices or their representatives in Estonia. The main tasks of the labour services are:

    - to implement government labour policy;
    - to register unemployed persons;
    - to provide employment services; and
    - to pay state unemployment benefits .

The Law on the Social Protection of the Unemployed in Estonia came into effect on 1 January 1995 and has been amended several times since. Social protection of the unemployed in Estonia is provided by the state (i.e. it is financed from the state budget, which constitutes a part of the social protection system). There is no voluntary unemployment insurance, although preparations are underway to introduce it.

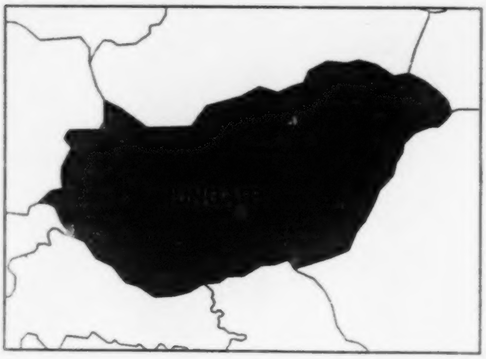
- The active labour market policy programmes currently being introduced by the Estonian Labour Market Board are:
- public employment services and administration, which cost 0.026% of total GDP in 1998;
- labour market training (training and training allowances, which cost 0.043% of total GDP in 1998; and
- subsidised employment (subsidies to regular employment, support of unemployed persons starting enterprises, public works etc.), which cost 0.009% of total GDP in 1998.

To tackle long-term unemployment, the pilot project "Activation centres for making less competitive persons more active in the labour market" was started by the Ministry of Social Affairs in the second half of 1998. The project set up activation centres for the long-term unemployed in eight counties. The "Youth employment centres" project was started by the Ministry of Education in 1998 to combat youth unemployment. Both projects are still in the early stages and need further strengthening and development.

5 *Main lessons learned from study visits*

The Estonian delegation participated in study visits to Germany and Portugal. The knowledge and expertise obtained are summarised here.

- Participants improved their overall understanding of the Structural Funds and of the activities and operation of the European Social Fund.
- The administrative structures of the ESF are different in different countries. The Portuguese system is highly centralised, while, in Germany, the system is very decentralised.
- Structural funds rules are complicated. Clear objectives and priorities need to be defined by the government. Manuals and guidelines in national languages need to be prepared. The availability of well-trained people at all levels of administration and implementation is of the utmost importance.
- Coordination between the different ministries and stakeholders is very important but very difficult .
- Coordination and achieving synergy between the activities carried out by different Structural Funds is also difficult.
- The involvement of the social partners is different in different Member States. The German Employment Action Plan was given to the social partners for comments only. They were not involved in the process as it was considered that that would *takes too much time;*
- Publicity and information are very important in order to ensure the visibility of the ESF.



B.2.4 Hungary

Since late last year, government activity concerning the preparation of the Hungarian administration for the management of EU Structural Funds has speeded up. This presentation offers a brief overview of the measures taken and the present situation in that field with particular emphasis on the ESF.

1 *Coordination at national level*

Legislative framework

- Government Decree No. 2307/1998.(XII.30) provides for the allocation of responsibilities between ministries and for tasks related to the development of a medium-term national economic strategy, which will form the basis of the National Development Plan (NDP). The execution of this task is to be coordinated by the Ministry of the Economy, which has also been asked to develop Structural Funds-compatible monitoring and evaluation procedures and mechanisms.

  The Decree also provides for the review of the existing system for financing development schemes, in order to establish full compatibility with the relevant Community regulations. The Decree assigns this task to the Ministry of Finance.
- Government Decree No.2073/1999 (IV.21) provides for the allocation of responsibilities for the future management of the Structural Funds. As far as the ESF is concerned, the Ministry of Social and Family Affairs will be responsible for its management in close cooperation with the Ministry of Education.
- Law No XXI of 1966 on regional development is under review, with a view to making it fully compatible with relevant Community regulations. The review's primary aim is the administrative consolidation of the existing regional structures so as to give a clearer legal status to, and provide a clearer definition of, the scope of activities and responsibilities of the 7 NUTS II-level regions of the country.
- The Regional Development Concept (No. 35/1998. (III.20) is currently under review with a view to adjusting it on the basis of a comprehensive analysis of regional policy development and relevant Community policy principles.
- The Government is proposing a comprehensive regulation on the establishment of a unified monitoring system fully aligned to EU practices. The draft of a Government Decree on this issue also addresses evaluation procedures. The draft, which was drawn up by the Ministry of the Economy, has already been approved on an inter-ministerial working level. Financial auditing procedures are at a similar stage.

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Institutional Framework

Arising from the above-mentioned Government decrees and actions, the process of putting in place the necessary administrative infrastructure has only started. However, it must be stressed, that as far as the ESF is concerned, the existing legislative framework and administrative and financial tools, not to mention basic employment, vocational training and education policy objectives, will be comparatively easy to adjust to Community procedures and practices.

State of SPP implementation

All these issues will also be addressed in the course of the SPP-twinning Programme, whose main objective is to assist Hungary in the development of a strong administrative capacity and the acquisition of skills and expertise for the management of the Structural Funds. The draft of the Covenant, which includes a special chapter on the ESF, has been agreed by the competent Hungarian inter-ministerial committee (the proposed Monitoring Committee for the SPP) and the consortium of Member States, led by France. The Chapter on the ESF, drafted by the proposed SPP long-term expert for the ESF, following consultation with the relevant Hungarian ministries, takes into consideration the experience gained through study visits and seminars organised by European Training Foundation.

The National Assistance Coordination Unit, attached to the Prime Minister's Office, will be the main coordinator of the implementation, monitoring and evaluation of the SPP Programmes. The practical implementation of the SPP is assigned to the PHARE Regional Development Ministry of Social and Family Affairs, located in the Ministry of Agriculture and Regional Development.

The start of the implementation of the Covenant is planned for September, following formal approval by the relevant service in the European Commission.

The implementation of the Decrees detailed above, and of the SPP, will complete the necessary legal framework and ensure the establishment of a comprehensive administrative framework for government actions in this field. It will also offer ample opportunities for the identification and elimination of potential weaknesses and/or ambiguities in the legal and institutional framework arising from the existing legal texts and administrative practices.

2 Existing legal and administrative structures and financial instruments to be adapted to the ESF

Hungarian employment policy is largely consistent with the Employment Guidelines of the Community in terms of policy areas, target groups and aims. A series of financial instruments and administrative institutions have been established to achieve the objectives of the employment policy. *Passive* and *active* measures are taken to combat unemployment, adapt the workforce to industrial changes, promote rural development, assist regions lagging behind in economic and social terms and convert areas seriously affected by industrial decline etc. Various funds and state budget lines to finance the programmes have been put in place.

The Ministry of the Economy is responsible for drafting the Employment Policy Review, in close cooperation with the other relevant ministries. This is already reflected in the preliminary draft of the National Development Plan (see Section 3).

The Labour Market Fund

The most important fund, in terms of both size and relevance to the ESF, is the Labour Market Fund. This is the main tool through which employment policy objectives are translated into actions. The purpose of the Labour Market Fund is to improve the prospects of those who face the greatest difficulties in finding and keeping a job. Created in 1996, the Labour Market Fund consists of seven "sub-funds", all of which have their specific aims and provide financial support accordingly. However, it is possible both to combine funds and to reallocate resources from one of them to another.

The sub-funds are the following:

- the Solidarity Sub-fund;
- the Income Sub-fund;
- the Employment Sub-fund;
- the Rehabilitation Sub-fund;
- the Wage Guarantee Sub-fund;
- the Vocational Education and Training Sub-fund (see below); and
- the Operational Sub-fund (This fund finances the Public Employment Service and the operation of the Labour Market Fund Unit within the Ministry of Social and Family Affairs.)

When the Labour Market Fund was created through the merger of the existing funding mechanisms, the aim was to ensure enough flexibility to combine passive assistance with active measures and to put progressively greater emphasis on the latter. Hungary has been rather successful in this endeavour, although still there is much to be done. The Labour Market Fund strongly supports active programmes, the most important of which are the following:

- job replacement, vocational guidance and counselling;
- training and retraining of the unemployed and those at risk of losing their jobs;
- wage subsidies to employers to encourage the recruitment of the long-term unemployed and young people;
- assisting the unemployed to set up their own businesses;
- job-creation subsidies to boost growth in underdeveloped regions and for the reconversion of areas deeply affected by industrial change; and
- support for direct temporary job-creation in the public and non-profit sector to prevent the exclusion of the long-term unemployed and other vulnerable groups from the labour market.

One could reasonably state that the general policy fields in which the Labour Market Fund now finances activities provide a rather good match with the objectives of the new ESF and could serve as a good basis for meeting the co-financing requirements. However, some priority areas of the new ESF system, such as education, lifelong learning, adaptability of enterprises, social inclusion, equal opportunities etc., are not yet present in Hungary or have not received enough attention there. The reconsideration of policy fields is a task which lies ahead, and the competent Hungarian authorities are willing to do that jointly with the Commission, in the course of the Employment Policy Review.

The right to disburse the fund is formally granted to the Ministry of Social and Family Affairs but, under the law, the Minister exercises this right jointly with the Labour Market Fund Steering Committee. Employee and employer representatives take part in the tripartite body, alongside officials from the ministries concerned (Ministry of Social and Family Affairs, Ministry of Education, Ministry of Economy, Ministry of Finance).

The Labour Market Fund unit is located in the Ministry of Social and Family Affairs and it is responsible for:

- managing the centralised part of the Labour Market Fund (issuing tenders etc.); and
- following closely the activities of the County Employment Offices, which manage the decentralised part of the Fund.

At the decentralised level, the County Employment Offices and Labour Councils have joint responsibility for the decentralised funds. The extent of decentralisation varies. In the case of the Employment Sub-fund, it covers almost 90% of the total.

The Labour Market Fund Steering Committee is also active in policy formulation. It is the main body to deliberate on government employment policy and the related active and passive measures.

Current rules on the operation of the Labour Market Fund are, due to specific national conditions, not yet fully in line with ESF regulations.

Activities supported by the Vocational Education and Training Sub-fund

Companies and enterprises, other than those which are financed from the state budget, make a compulsory contribution to vocational education and training. This consists of a 1.5% levy on the wages they pay. This contribution can also used for in-service training and retraining purposes by the enterprises themselves so only about 33% of the total Compulsory Contribution goes to the Vocational Education and Training Sub-fund. The sub-fund can be used for the purchase of equipment related to education and training activities and for financing projects on different levels (primary, secondary and higher) of the vocational education and training system. No expenses related to maintenance, running costs or construction of building infrastructure can be met from the sub-fund. The sub-fund also finances Hungarian participation in community action programmes like Leonardo da Vinci, etc.

As stated above, the Vocational Education and Training Sub-fund, together with the Labour Market Fund, might, with some adjustment, become suitable tools for implementing and co-financing ESF measures. The existing Labour Market Fund rules are presently under review. The review focuses on employment policy objectives, eligibility criteria, the length of the programming period (a multi-annual approach), the increased role of preventive and active measures, the distribution of roles among different actors (central government, local authorities, social partners etc.).

In the field of initial education, the adjustment to Structural Fund, particularly ERDF and ESF, practices requires three major issues to be addressed:

- a review and alignment of the existing financing procedures;
- the development of an institutional framework, mostly at regional level, and of partnership with ministries involved in ERDF and ESF; and
- the development of programming and research capacities.

The Ministry of Education is determined to find appropriate solutions to these issues in the near future, taking advantage of opportunities offered by the SPP and taking into consideration the experience of the Member States and the lessons learned during ESF-SPP training,

3. *The state of preparation of the National Development Plan, with particular reference to the chapter on the ESF*

The previously mentioned Government Decree (No 2307/1998. (XII.30)) sets 31 December 1999 as the deadline for preparing the National Development Plan. The first preliminary draft has already been compiled by the Ministry of the Economy. Based on the proposals submitted by different Ministries, including the Ministry of Education, the draft dedicates a special chapter to human resource development. This chapter, in its preliminary form, focuses on measures aimed at promoting employment and developing initial and continuing education and training as a major tool for achieving macro-economic and social objectives (sustainable growth, European integration, improved competitiveness, fighting social exclusion, reducing regional disparities etc.).

The Ministry of Education is actively contributing to inter-ministerial efforts aimed at finalising the National Development Plan. The Ministry is endeavouring to forge a national development strategy for the education and vocational training sector in a regional and human resource development context. A comprehensive development plan for the sector for the years 2000-2002, based on the Programme for Government, has already been completed, including quantification of objectives and identification of statistical indicators. However, the methodology of this programme is not yet sufficiently project-oriented and takes a largely traditional approach to budget planning. It will be a task for the future to inject an ESF-type approach into programme development through the promotion of a number of development projects.

4 *The development of the national employment strategy*

The Ministry of the Economy is charged with drafting a national employment strategy in co-operation with the Ministry of Social and Family Affairs and the Ministry of Education. In the Ministry, a task force has been set up to work on this task.

5 *Projected implementation measures*

The CFCU and the National Fund

The implementing body for the programme will be the CFCU, which, like the National Fund, has been set up within the Hungarian State Treasury. The CFCU will work in close cooperation with the National Assistance Coordination. According to DIS, current Phare rules will apply to time frames for project implementation.

Ministry of Education

The Ministry, at senior level, closely follows activities and developments related to the Structural Funds and takes decisions on these as necessary. The Deputy Secretary of State in charge of international affairs supervises the Department for European Affairs and Bilateral Relations, which is responsible for coordinating activities related to the Structural Funds, and particularly the ESF, within the Ministry and on inter-agency level. A task force, consisting of middle-ranking officials delegated by relevant departments, has been set up.

Ministry of Social and Family Affairs

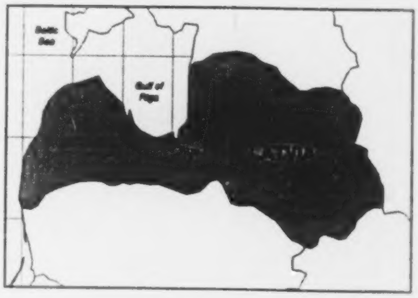
A Deputy Secretary of State supervises the ESF activities as a member of the Inter-ministerial Monitoring Committee and the leader of the working group on Social and Employment Policy plays an important role in ESF activities. The EU Coordination Unit is in charge of coordinating ESF activities together with the professional departments (Labour Market Department, etc.).

6 *Pilot projects*

A pilot project, jointly submitted by the Ministry of Education and the Ministry of Social and Family Affairs concerning the education and insertion of socially disadvantaged children, mostly of Romany origin, has been approved by the competent Hungarian authorities and the Commission services. The 9.2 MECU budget project will be provided by PHARE (5 MECU) and from the budget of the ministries involved. Implementation should start late this year and the project should be completed by 2001,

Other pilot projects to be financed by Phare 2000 include SAPARD, focusing on equal opportunities and vocational education and training for physically handicapped young people. The construction of a network of student dormitories in under-developed regions, for socially handicapped children, is currently under consideration.

Brussels, June 1999.



B.2.5 Latvia

1 *Introduction*

Institution-building in the Ministry of Welfare is currently directed at developing the institutional infrastructure it will need to absorb the Structural Funds and to use them to carry out structural reforms, including financial and administrative reforms, in the welfare sector.

A central requirement of the EU Accession Agreements is that candidate countries establish adequate institutional structures and administrative and organisational procedures to ensure the effective and sustainable financial management of the EU Social and Cohesion Funds.

Institution-building is essential, not only to comply with EU normative requirements in the area of financial management, but also in terms of gaining maximum benefits from EU funds and programmes. In the near future, Latvia will have access to EU structural policy instruments but it will also have to conform to the principles, aims and procedures these lay down. To implement EU policy, in particular in relation to the ESF, the state must have efficient financial administration and control systems and adequate and well-qualified administrative institutions whose staff have the very high levels of competence necessary to manage EU funds.

(Avis 1997; Progress Report 1998; Accession Partnership 1998.)

The strategy for establishing and strengthening the institutional system is based on the following documents:

- *The Europe Agreement, 1994,* which is the basis of the political relationship between Latvia and the EU;
- *Agenda 2000,* which contains recommendations for economic and social reform and the rebuilding of institutional structures in the context of the management requirements of the Structural Funds;
- Official Discussions with the European Commission, May 1998, which dealt with the accession process, including the formula for future EU financing;
- *The Accession Partnership and the III National Programme for EU integration,* which define the national priorities and schemes in the pre-accession context;
- *Guidelines to the European Employment Strategy 1999,* on which the annual national plans of each Member State are based and in which the four pillars of, and the 22 guidelines for, employment policy, are outlined; and
- *European Regulations* in the areas of task allocation, coordination of actions and the promotion of the effectiveness of Structural Funds, including the Social Fund.

These, and other, documents lay down the conditions, under which the EU Structural Funds, as instruments of regional policy, will be available to Latvia as a future Member State. They also provide an explanation of the main objectives of EU regional policy: establishing a uniform economic system; reducing disparities in welfare systems; eliminating imbalances; and combating unemployment.

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European Regulations stipulate objectives and tasks, set up funding systems and determine the content of strategic Structural Fund programmes. (See legislation screening programmes, Regulations Nr.43-54, A list). Programmes for economic growth drawn up at national level are also important. These include: medium-term economic strategies in the context of EU accession; the National Development Programme on SMEs; the programme for regional development; the joint statement by the European Commission and the Latvian government on economic and political priorities, which was accepted by the Council of Ministers on 10.02.1999; and the basic document on *Accession Partnership* requirements, where medium-term macroeconomic objectives are determined and the scenario up to 2003 is described.

In general, Latvia's involvement in the Structural Funds, until 2000, will be, largely, in the areas of:

- preparing the administrative structure, developing procedures and defining areas of competence;
- improving the levels of staff qualifications and specialisation; and
- developing the administrative capacity to manage the funds.

The Ministry of Welfare is currently engaged in the following activities:

a) participation in the Special Preparatory Programme (SPP) for the Structural Funds;

b) developing professional capacity; and

c) drawing up proposals on how to develop and implement initiatives to create an institutional system for the long-term management of employment policy.

These activities are considered in greater detail in the following sections.

2 The Special Preparatory Programme for the Structural Funds

The Special Preparatory Programme for the Structural Funds (SPP-SF), which has been developed in the framework of the EU Phare programme, is designed to ensure that, on its accession to the European Union, Latvia will be able to manage assistance from the Structural and Cohesion Funds effectively. The organisation, coordination and monitoring of the programme are carried out by several divisions within the Ministry of Finance. A series of working groups has been set up to implement the different aspects of the programme:

- the Legal Framework;
- the Instrument for the Structural Policies for Pre-Accession (ISPA);
- the Special Action for Pre-Accession for Agriculture and Rural Development (SAPARD);
- Sound Financial Management;
- the National Development Plan; and
- Pilot Projects.

Officials from the Ministry of Welfare have been involved in the work of each of these six groups with a view to ensuring that professional opinion and sectoral policies are taken into consideration in the national development plan for managing EU funds after accession. The working groups have the objective of drawing up:

a) an analytical report on the present situation in the context of EU regional policy;

b) a development strategy, setting out the main priorities and tasks to be implemented;

c) an assessment of the social and economic impact of the planned activities;

d) an estimate of all the resources that will be required to implement priority measures and to identify and set up possible cooperation partnerships; and

e) details of the procedures to be used in monitoring and evaluating the development and implementation of the programme.

It should be stressed that the basic objective of the SPP-SF is to strengthen Latvia's administrative capacity:

- by providing training and exchanges of experiences for Latvian experts (i.e., training the trainers); and
- by assisting these experts to train other personnel.

The following activities have been planned, in the framework of the SPP-SF, for the period up to 2000:

- setting up the institutional structures, defining administrative and budgeting procedures and improving staff capacity to draw down and use EU funds in compliance with EU normative requirements;
- preparing and implementing Territorial National Development Plans and strengthening the capacity of the institutional system to draw up the kind of programmes that are required for access to European structural policies[1];
- drafting the legislation that will provide a basis for the implementation of the National Development Plan and for further economic and social cohesion policies;
- developing the institutional capacity and a programming network to access ISPA (Instrument for the Structural Policies for Pre-Accession) and SAPARD (Special Action for the Pre-Accession for Agriculture and Rural Development) funds; and
- elaborating and implementing two pilot projects in the fields of rural and urban sectoral planning and identifying what must be done to achieve convergence with the principles and provisions of EU structural policy.

3 *The European Social Fund*

The ESF is the second largest Structural Fund and access to it will give Latvia the opportunity to introduce an effective employment policy and to carry out activities to up-date human resource development and vocational training. In 1998-1999, the Special Preparatory Programme for the European Social Fund (SPP-ESF) was set up to develop the necessary structures and to improve the candidate countries' ability to administer the fund. In Latvia, the Ministry of Welfare is responsible for the organisational and implementation aspects of the ESF. The main partners in the programme are the Ministry of Welfare and the Ministry of Education and Science.

The main objective of the Special Preparatory Programme for the European Social Fund is to organise training seminars on the activities of the ESF for experts from the candidate countries and to give them the opportunity to exchange experiences in implementing employment strategies with EU Member States.

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[1] Expert assistance will be provided to incorporate specific aspects of the European Regional Development Fund and the European Social and Cohesion Funds into the Plan.

Latvia is currently engaged in various activities to ensure that its social policy in the fields of employment and the labour market complies with EU regional policy. These activities include:

1. the development of the institutional structure to administer the ESF, details of which are set out in section 6, "Tasks to be fulfilled in the near future to prepare for the ESF";
2. participation in, and the organisation of, training seminars and study visits on the adoption of the ESF, including
   - an introductory course on the tasks involved in developing an institutional structure to manage the ESF in candidate countries (11.1998 - 05.1999),
   - the organisation, on a national level, of seminars for civil servants, local authorities and the social partners, to identify the most significant issues in the fields of employment and the labour market (05.1999. - 09.1999) and
   - the organisation, on a regional level, of two working sessions to improve the capacity of local institutions to prepare proposals and to plan and implement projects, in view of ESF requirements after 2000 (09.1999 - 12.1999).

1. the preparation of an *Employment Policy Review,* describing the current employment situation, analysing the activities of policy-making institutions and containing detailed proposals on alternative mechanisms to bring about improvements in this area; and
2. setting up the National Training Centre for the ESF to provide training and to improve the ability of local institutions to apply for the ESF funds.

4 *Participation in state programmes*

In 1998, the welfare sector took part in the following activities, which were organised in the framework of the EU Phare programme:

1. training programmes on projects, human resource development and budget and financial control management (two seminars for 50 specialists) and English language courses for 32 people;
2. seminars and conferences on EU social and employment policy, financial policy, methods of management and social protection schemes, which were designed to improve skills in policy drafting and in labour market analysis (three specialists were trained within the Phare Consensus programme and about 100 specialists from the Ministry of Welfare and other social institutions participated in the conference on EU employment policy); and
3. the drafting of the National Development Plan, the Report on Employment Policy and the National Employment Plan.

In 1999, training was provided for staff from the ministries, the social system and the municipalities in the framework of the SPP-ESF programme. Two people from the Ministry participated in international training and 40 people from the social system and the municipalities took part in training that was organised on a national level. The institution that will provide training in the management of the ESF has been chosen. It will be part of the National School of Administration.

5 Employment policy

The Ministry of Welfare has drawn up a document on "The Promotion of Employment in Latvia", which was approved by the government on 6 April 1999. The document:

1. puts forward a model of how the drafting of the National Employment Plan should be organised and outlines the proposed structure and the responsibilities of the different institutions involved in the plan;
2. suggests mechanisms to improve cooperation among public institutions, the municipalities, employers and trade unions in solving common issues; and
3. outlines a system for financing the activities included in the National Employment Plan, with a view to ensuring its convergence with the EU model.

The document provides details of specific actions to achieve the objectives and describes the impact these will have. These include initiatives for drawing down EU Structural Funds. The document pays particular attention to finding co-financing for ESF funds, which are essential to the implementation of the National Employment Plan, and outlines different ways this might be achieved.

6 Tasks to be fulfilled in the near future to prepare for the ESF

Continued institution-building, improved administrative capacity to manage the ESF, adaptation to Structural Fund financing requirements and the implementation of the objectives and tasks set up by the Ministry of Welfare are all necessary to prepare for the introduction of the ESF in Latvia. There are many tasks to be fulfilled.

First of all, there is a need for continued participation in the drawing up of strategic documents for the Structural Funds and the implementation of the preparatory programme on national and European levels.

Secondly, the Ministry of Welfare and other relevant institutions must be able to provide qualified staff and to ensure speedy and efficient financial-flows. It is essential that Latvian institutions have the professional capacity to draw down and absorb assistance from the EU Structural funds upon accession. To do this, they must:

- analyse current, ministerial and inter-ministerial, capacity in terms of the allocation of responsibilities, procedures, financial dealings with EU funds and the management of financial programmes. (See the administrative scheme presented in Annex 1);
- adapt the structure of the Ministry so that it can operate better within the SPP-SF programme and can implement EU Decentralised Implementation System requirements;
- devise effective schemes to manage and coordinate the ESF and to improve administrative mechanisms; and
- set up adequate qualification requirements, assess and improve staff capacity and provide necessary training (seminars, consultancy, cooperative training etc.).

Thirdly, staff from the Ministry, other involved institutions and the local authorities must be trained to design integrated projects in the welfare sector and to implement pre-accession strategies and procedures, including:

- training other staff in EU structural policies and ensuring coordinated project planning by providing information on criteria for funding, factors influencing the selection of projects and procedures for implementation;
- adopting the management approaches and techniques required by EU-financed programmes and funds; and
- improving skills in assessing projects, on the basis of "best practices' that have already been developed.

If all these activities are carried out successfully, Latvia will have the legal and financial means to avail of the funding once it is available. The professional capacity of the Ministry, local and regional institutions and the social partners will also be improved and they will be better prepared for the management of the Structural Funds, in the areas of policy implementation, focused planning, programming, financing and control. The system that is set up will allow the funds to be used effectively. This will ensure that the overall objectives are reached and that the impact of the EU Structural Funds is maximised.

7 Conclusions

1. Between now and the year 2001, it is necessary to establish the legislative, political and strategic bases for adopting and managing the EU Structural Funds and to build up institutions to administer them.

2. Latvia must develop a common system and improve the administrative capacity of local and regional institutions. It must give a significant role to the social partners and participate in designing and implementing employment policies based on EU guidelines. It will, therefore, have to identify and evaluate areas where the ESF could provide support in developing effective activities and in improving the professional capacity of selected target groups.

3. Given that Latvia has clearly defined the path it will take to EU accession, the line ministries have to deal with definite requirements with regard to successful sectoral policies, strategies and the setting of priorities. They can meet these requirements with the help of well-planned and well-designed projects that:

    - promote a clear understanding of national and EU social policy and support future reforms;
    - set up structures, methods and procedures with a partnership approach and which correspond to the requirements of EU Structural Fund financing programmes;
    - ensure that the process of project preparation is effective, centralised and coordinated by the public service and that it functions on different levels according to the principles of fruitful cooperation;
    - provide for the employment of competent and knowledgeable project managers, coordinators and assistants; and
    - have a clear and well-designed structure to manage funds.

    In 1999-2000, the Ministry of Welfare will continue the preparation of these requirements on a national level and in the framework of programmes and projects.

4 The objectives of ESF and the actions it supports extend beyond the area of competence of the Ministry of Welfare. The Fund covers areas like professional training, re-training, schemes for creating new jobs, the reduction of long-term unemployment and improvement of the situation

of groups which are socially at risk. It also deals with preventative actions, which are closely connected with re-integration of the unemployed and combating discrimination. To ensure that the Fund is managed professionally, the Ministry of Welfare should implement the initiatives to promote cooperation throughout its organisational structure. Such cooperation is essential in the preparation of policy directed at increasing the level of employment. In this context, it should be pointed out that the programming document that was recently approved by the government determines that many of the issues covered by the ESF should fall within the competence of the Ministry of the Economy.

ANNEX 1

Summary of the document on" The Promotion of Employment in the State"

Political aspects

On 12 June 1995 in Luxembourg, Latvia signed a treaty and partnership agreement with the EU and clearly expressed its willingness to assume the same responsibilities as Member States with regard to the promotion of employment. The Treaty and the Pre-accession Partnership contain chapters, which relate to the situation of the labour market and the solving of employment issues in the context of a united Europe. Every year, since 1997, the European Council sets out Employment Guidelines for the Member States. Each Member State has to incorporate these Guidelines into its National Action Plan for employment. Latvia has to set up a system for developing and implementing its National Action Plan as the basis for implementing the European Employment Guidelines.

Given the situation of the labour market in Latvia, and that employment development is closely connected with the development of the national economy, it was acknowledged that Latvia needed:

1) to coordinate the different ministries to improve the employment situation;
2) to encourage collaboration between public and private institutions to develop employment opportunities; and
3) to set up institutions to ensure the development of employment policy in accordance with the EU requirements.

Activities

In 1998, the Ministry of Welfare of the Republic of Latvia drafted a document on the "Promotion of Employment ".

The document:

1. put forward a model of how the drafting of the National Employment Plan should be organised and outlines the proposed structure and the responsibilities of the different institutions involved in the plan;
2. suggested mechanisms to improve cooperation among public institutions, the municipalities, employers and trade unions in solving common issues; and
3. outlined a system for financing the activities included in the National Employment Plan, with a view to ensuring its convergence with the EU model.

Changes in policy

On 6 April 1999, the government of the Republic of Latvia approved the document on Employment Promotion.

This document proposes that:

1) Latvia develop a National Action Plan for employment, the drafting of which should be coordinated by the Ministry of the Economy;

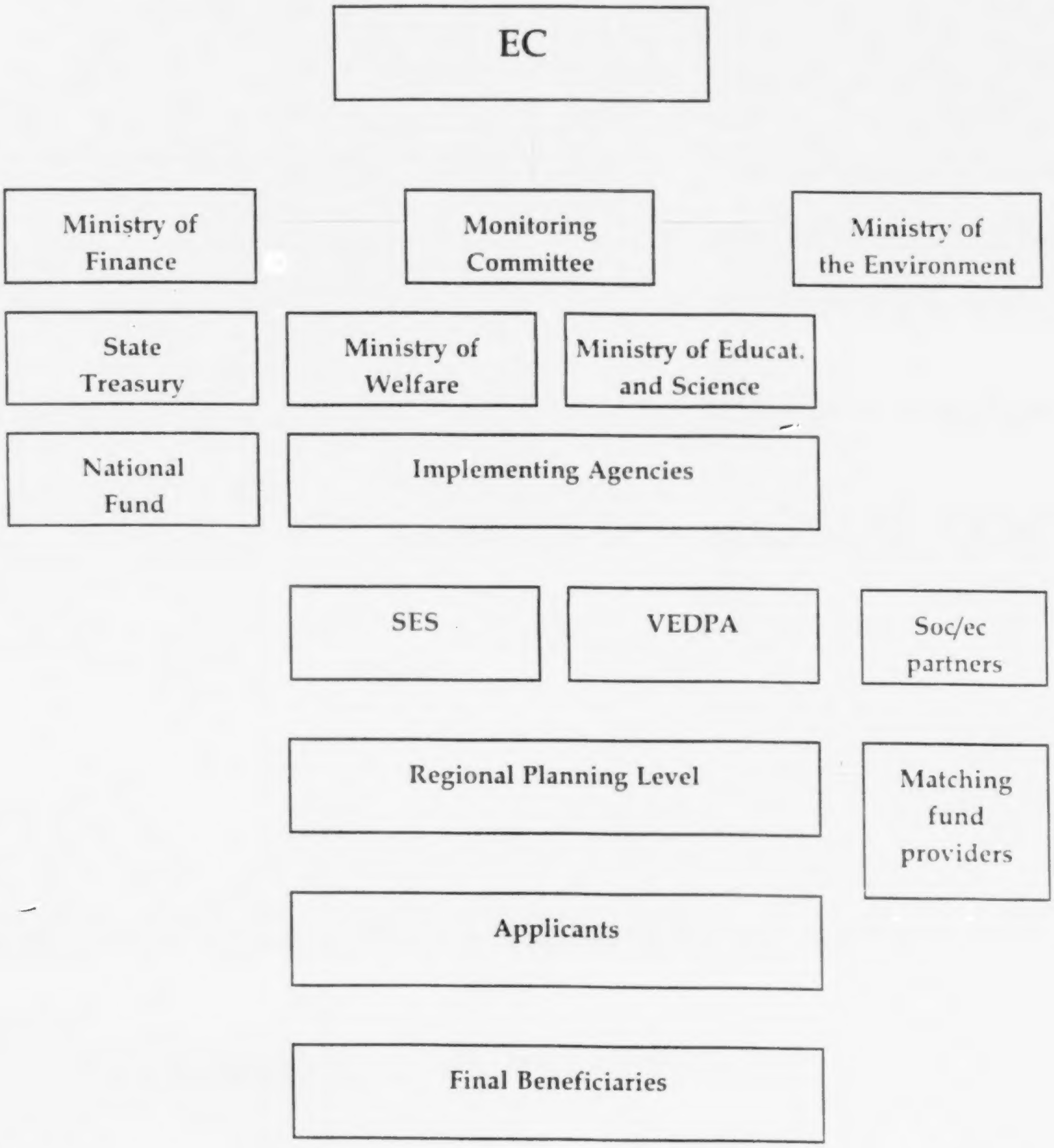
2) cooperation between public institutions, municipalities, employers' and employees' associations in solving employment issues is improved and that an Employment Council be created within the institutional framework of the National Tripartite Council; and

3) the mechanism to finance measures, connected with the promotion of employment, be improved by

    - ensuring that the financing of National Action Plan activities is carried out within the framework of an institutional budgetary programme; and
    - raising the priority level of employment issues in the State Investment Programme and in National Indicative Programme.

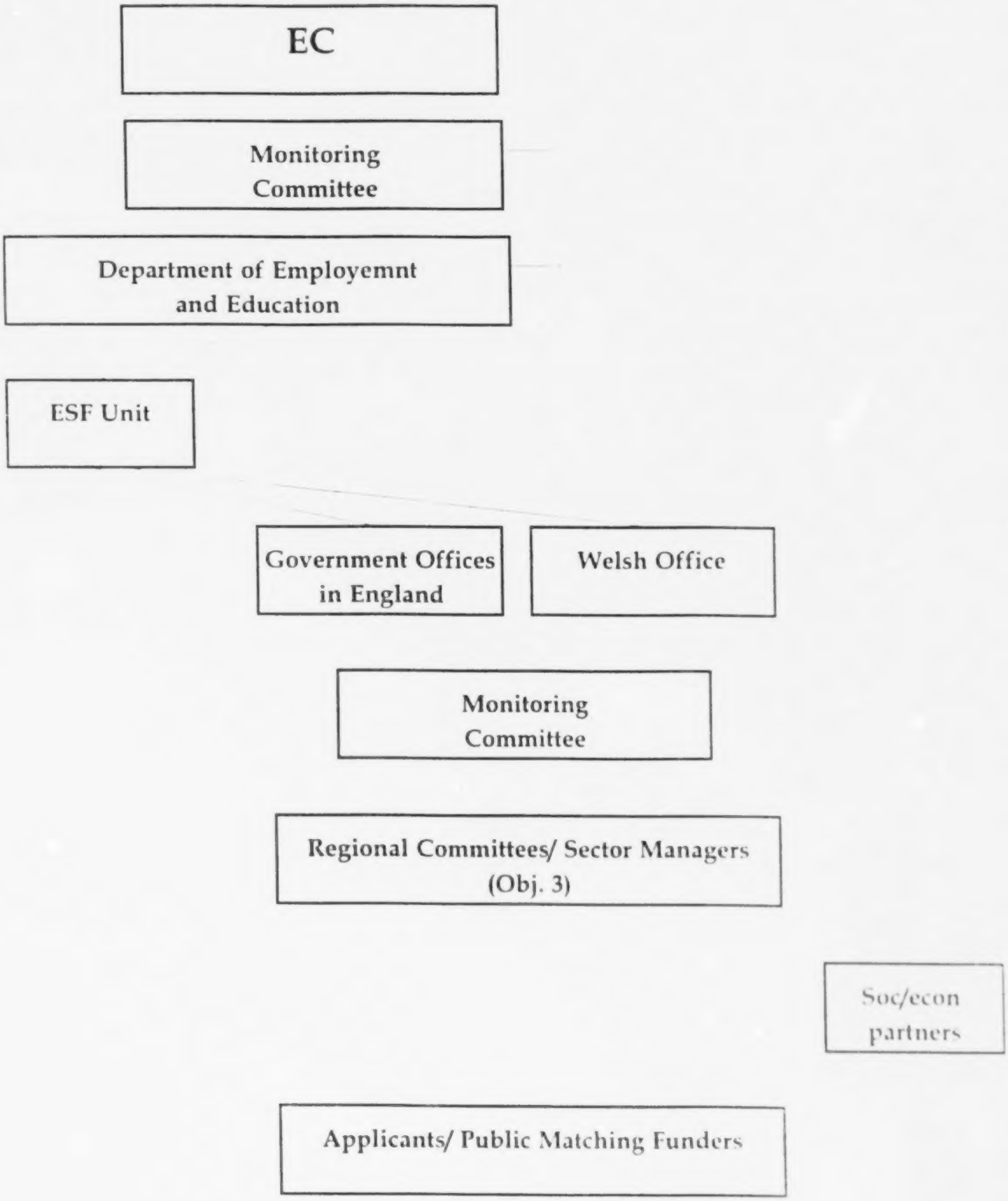
ANNEX 2

LATVIA
Administrative Structure for implementing ESF type activities


EC
Ministry of Finance
Monitoring Committee
Ministry of the Environment
State Treasury
Ministry of Welfare
Ministry of Educat. and Science
National Fund
Implementing Agencies
SES
VEDPA
Soc/ec partners
Regional Planning Level
Matching fund providers
Applicants
Final Beneficiaries

ANNEX 3

UK
Administrative Structure for implementing ESF type activities


EC
Monitoring Committee
Department of Employemnt and Education
ESF Unit
Government Offices in England
Welsh Office
Monitoring Committee
Regional Committees/ Sector Managers (Obj. 3)
Soc/econ partners
Applicants/ Public Matching Funders

Baltic Sea
LITHUANIA

B.2.6 Lithuania

1 *Overview of the political framework*

The Employment Policy Review

Political and social changes during the transition towards a market economy have had a major impact on the Lithuanian employment and labour market situation. All the employment indicators changed during the transition (the total number of employed, the structure of employment, employment rates, wages etc.); new phenomena appeared (unemployment, hidden unemployment, hidden employment); and a system of labour market administration institutions were established.

Many developments in Lithuania in the employment field are similar to those occurring in Central and Eastern European and EU countries, while certain differences may also be observed. In particular, the statistical expression of certain developments in the field of employment may be similar to trends in EU countries but their causes and consequences are different, e.g., the decrease in industrial employment. Each year, employment as an issue receives more and more attention in Lithuania as is also the case in EU countries. The Committee on Employment Policy Integration was established on 30 March 1999 by government decision. Preparatory work for the ESF continues at governmental level and mechanisms to implement regional policy are being put in place. All these developments help the preparation for EU accession.

There are several documents setting out the employment and labour market policy framework. One of the most important is the **Government Action Programme for 1997-2000** which indicates the main priority areas for action:

- protection of efficient workplaces, development of new ones and promotion of self-employment;
- development of an active labour market policy, whose main objectives are -to prevent unemployment, to support employment, to develop labour market training and public works, particularly for those avoiding work, and to prepare regional employment programmes;
- establishment of a new system for financing labour market development based around an independent system of unemployment insurance;
- improving the performance of labour market institutions; and
- encouragement of legal work and prevention of illegal work while increasing the responsibility of employers and employees for the attainment of these objectives.

The Lithuanian **National Acquis Adoption Programme,** which takes into account the priorities of the Accession Partnership, the European Commission Report and the Lithuanian Government Programme will establish the main objectives and tasks to be implemented in the next two or three years.

The NAAP indicates that government policy in the field of employment and the labour market is directed at employment promotion and, increasingly, at preserving existing jobs, reducing regional unemployment disparities, developing labour market policy and improving the operation of labour market institutions.

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One of the priorities mentioned in the Accession Partnership is participation in a joint Employment Policy Review as a basis for the preparation of EU Employment Policy coordination.

With that objective in mind, the Ministry of Social Security and Labour has commenced the drafting of a National Employment Action Plan. This Plan is being prepared taking into account the EU Employment Guidelines for 1999 but, also, having regard to the Lithuanian social and economic situation and the peculiarities of employment and labour market development. The Ministries of Education and Science, of Economy and of Agriculture have been involved in the preparation of the plan, which will be forwarded in draft form, to the Ministries concerned and to the social partners, for discussions, before being submitted to Government.

The National Employment Action Plan will contain an analysis of the current situation in the field of employment and labour market development. Consequently, outcomes from the Background Study on Labour Market and Employment in Lithuania will be incorporated. This Background Study was initiated and carried out with the assistance of the European Commission and should help to objectively evaluate developments and trends during 1991-1999.

This Study, which has already been completed, puts forward a number of conclusions on the main development problems in Lithuania.

1. After the restoration of independence and during the transition to the market, the Lithuanian economy declined considerably. However, growth has been observed since 1995. During the past three years, especially in 1997-1998, improvements have became apparent in the economy:

   - GDP grew by about 5% in 1998 and, according to the calculations of the Ministry of Economy, it will increase by 5.5% in 1999, 6.5% in 2000 and by about 6% in 2001;

   - inflation has greatly decreased, reaching only 3.8% in 1998 (December 1998 over December 1997), compared to the 6% forecast;

   - a large proportion of the employed population works in the private sector (69% in 1998); and

   - the development of the service sector changed the structure of the economy, so that it is becoming more and more like the economic structure of developed countries.

2. Real wages, in particular, rose much more in 1997 and 1998 than before. In 1996, the increase was 4.1% whereas, in 1997, it was 12.6%. Preliminary calculations indicate that, in 1998, real wages increased by between 12.7 - 13.9%.

3. There were great differences in wages according to the types of activities engaged in. The average wage of those employed in agriculture in 1997 was only 40% of the overall national average, whereas wages and salaries in the financial services area exceeded the national average wage by 120%.

4. Positive structural changes in income have been particularly significant. There was a much greater increase (7.5%) in real monetary income. At 10% and 2% respectively, the rate of increase in real monetary income for rural households far exceeded that of the total increase in income.

5. After 1990, employment in Lithuania developed under very difficult conditions. On the one hand, there were political and social changes and, on the other hand, there was the transition to a market economy. Not only have there been great changes in economic priorities, the type and range of production, the directions of flows of goods and raw materials, instruments, equipment and materials, but, at the same time, the status of the individual in the labour market has changed completely. Since the economic transition was wide-ranging and intensive, employment has also changed radically.

6. Until 1996, employment in agriculture rose constantly. The main trends now are:
   - employment of the rural population in the non-agricultural sector has greatly decreased;
   - the number of individual farmers is increasing, although the average farm size is quite small (about 14 hectares);
   - the general subsistence level of the rural population has greatly decreased and young families with children, in particular, are in a difficult situation; and
   - the number of people of working age among the rural population is continuously decreasing and their territorial and professional mobility is low.
7. By 1 January 1999, there were 122,800 people registered as unemployed in Lithuania. Of these, women represented 49.8% and young people under 25 years of age, 19% (23 100 individuals). There were 15,200 long-term unemployed and the overall level of unemployment was 6.9%.
8. As to the professional structure of the unemployed, the share of unemployed individuals having non-marketable professions in the labour market is growing and almost every second person received vocational training. The level of labour force demand for unqualified labour is falling and specialists with new professions or high occupational skills are in great demand.
9. Significant economic and social reorganisation in Lithuania influenced the nature of labour market development considerably. The labour market developed at the same time as the restructuring of the economy, the acceleration of the privatisation process and the introduction of market economy mechanisms. So, labour market policy started to develop in parallel to the reorganisation of economy.
10. A well-developed and modern system of public labour market institutions has been established (see below). The legal and socio-economic prerequisites for the functioning of labour supply and demand mechanisms, under the market conditions, have been put in place. The law guarantees individuals the right to freely choose a sphere of employment, profession, job or type of activity.

Lithuanian labour market policy is designed to ensure that, with the development of the labour market and the strengthening of the social partners and their organisations, the influence of non-governmental institutions upon the formation and implementation of labour market policy should gradually increase.

Other priorities identified in the NAAP are to complete the restructuring of the institutional system and to increase the administrative capacity needed to implement the employment strategy and ESF-type action.

At present, the legal and institutional preparation for the administration of the ESF takes place through the Phare Special Preparatory Programme for Structural Funds and SPP/ESF.

The Ministry responsible for the SPP in Lithuania is the Ministry of Public Administration Reforms and Local Affairs. The Ministry of Social Security and Labour participates in most of the activities within the SPP, such as Strengthening the Legal Framework, Preparation of the National Development Plan, etc.

2 *Preparation of the National Development Plan*

Legal background

The legal basis for a national regional policy in Lithuania started to be put in place in 1998. On 21 July 1998 the Government approved the Lithuanian Regional Policy Guidelines, which defined the basic goals, tasks and principles of regional policy, and indicated the guidelines for necessary legislation as well as the future institutional structure of regional and national development planning.

The Regional Policy Guidelines specified that issues addressed in the Regional Development Law would include:

- the procedures for drawing up planning documents;
- the structure of regional development programmes and national development plans; and
- the final institutional structure for drafting, approving and monitoring their implementation.

On December 14, 1998 the Government set up the Government Commission on the Drafting of Regional Development Law. The Commission consists of representatives of the Ministry of Economy, the Ministry of Communications, the Ministry of Environment, the Ministry of Agriculture, the Ministry of Social Security and Labour, the Ministry of Finance, the Association of Local Authorities of Lithuania and the Department of Statistics. The Commission is charged with the task of drafting the Regional Development Law and related legal acts and submitting them to Parliament by 01 July 1999. The coordinating institution is the Ministry of Public Administration Reforms and Local Affairs

The first draft of the law has now been prepared and discussed within the Government Commission. It is expected that the Government will approve this draft law by the end of 1999. The law will be followed by other related legal acts, including: Government Resolutions on the Order for the Preparation and Approval of the National Development Plan; and on setting up the National Regional Development Institution and the Regional Development Institutions. This draft legislation has already been prepared and will be submitted to the Government as soon as the Regional Development Law is approved.

The Regional Development Law and related acts will define the institutional structure for preparing the planning documents, as well as for monitoring all the activities related to the implementation of EU regional policy in Lithuania.

This law and related legal acts provide the procedural basis for drafting and approving the National Development Plan and Regional Development Plans; and define the scope of the planning documents. Among the more important elements is the provision establishing the institutional system for the implementation of regional policy: the National Development Council; the National Development Institution; and appropriate bodies at regional level.

The main tasks of the National Development Council, which consists of representatives from ministries, county administrations, local authorities and NGOs, shall be to discuss and approve planning documents and to submit proposals on designing national development priorities and objectives.

The National Development Institution will coordinate the activities of the relevant ministries and institutions, with regard to the implementation of national development policy for the regions and will have an organisational role in drafting and submitting planning documents.

Until the Regional Development Law is approved, all planning documents will be prepared on the basis of the Government Resolution on 'The measures for implementing regional policy guidelines' and the 'Temporary Order on the drafting and approval of the National Development Plan', approved by Decree of the Minister of Public Administration Reform and Local Affairs.

The Government Resolution specifies all the preparatory activities that have to be carried out by the ministries and institutions concerned in order to be ready to administer EU Structural Funds as well as to formulate and implement national development policy for the regions.

Concentration

- The National Social and Economic Development Plan, as well as other related planning documents and projects (the rural development plan for SAPARD, the strategy for environmental protection and the development of the transport system for ISPA, as well as other, individual ISPA projects) will guarantee that funding from both EU and national sources will be distributed on the basis of the concentration principal. This means that:
- activities must correspond to established national priorities;
- activities which are classified as national priorities must produce the maximum effect on a country-wide scale; and
- activities must be related to the *acquis communautaire* (this shall also apply to measures co-financed by ISPA, SAPARD and PHARE 2000+).

The priorities for territorial planning and priorities for some other areas have already been set out in the draft General Plan of the Ministry of Environment. National priorities in adoption of the *acquis* have been set out in the mid-term economic development strategy and in the new NAAP (National Acquis Adoption Programme). Moreover, a number of sectoral development plans, prepared by the relevant institutions, already exist.

The National Social and Economic Development Plan will take account of existing priorities as well adding components concerning ISPA, SAPARD and PHARE 2000+. Some of the priorities will be changed in order to correspond to European Commission requirements.

Programming

The Ministry of Public Administration Reforms and Local Affairs is responsible for the general coordination of all activities necessary for the successful implementation of regional and structural policy in Lithuania. The legal grounds for this coordination are set out in the Government Resolution of 6 May 1999 and in the Regional Development Regulations of the Ministry of Public Administration Reforms and Local Affairs.

On 26 May 1999, the Lithuanian Government issued a Decree on the Establishment of the National Regional Development Agency. The Agency will be established by 1 January 2000 and will be responsible for preparing the National Social and Economic Development Plan and for coordinating the preparation of regional development programmes and other, related planning documents. The Regional Development Department of the Ministry of Public Administration Reforms and Local Affairs will be responsible for general coordination function in all areas related to European integration, including structural instruments, policy formulation and legal background. The National Regional Development Agency will be established by the Ministry of Public Administration Reforms and Local Affairs, the Ministry of Environment, the Ministry of Economy and the European Committee of the Lithuanian Government. This structure will guarantee that the different planning documents are consistent with national objectives and with one another.

A number of inter-ministerial working groups has been established to coordinate the activities of different PHARE projects in the area of regional policy and cohesion:

- the National Committee for Regional Development;

- the National Monitoring Committee for PHARE 1998 SPP implementation;
- the Central Coordinating Unit for PHARE 1998 SPP implementation;
- the Government Commission on the preparation of the Law on Regional Development and related documents;
- the inter-ministerial working group on the preparation of the National Social and Economic Development Plan;
- the inter-ministerial working group on financial management;
- the inter-ministerial working group for SAPARD; and
- the inter-ministerial working group for ISPA.

As has already been mentioned, a number of planning documents already exists. These are of great assistance in the preparation of publicly financed planning documents involving the European Union. PHARE projects on "Institutional development" and the "Special Preparatory Programme" also assist with the preparation of planning documents. Agreement has been reached with seven local experts and a number of EU experts, under the "Institutional development" project, to carry out an analysis of the preparation of these kinds of documents.

Additionality

The administrative procedure in Lithuania requires that projects, which are to be allocated general national investment funding, must be approved in the framework of the state investment programme prepared by the Ministry of the Economy. Because concrete ISP, SAPARD and PHARE 2000+ projects could be identified only after their approval by the European Commission, matching national funding has been set aside in a separate line of budget expenditure, but without indicating actual projects. Moreover, it is planned that some other activities will be funded by different national funds, such as the Rural Development Fund, the Roads Fund etc.

The budgetary procedures for the management of EC structural funding are under discussion at present. Plans to utilise the capacities of the National Fund are being considered. This fund could transfer funds on the basis of requests from the decentralised financial and contracting agencies but only after the relevant project is approved. It is also planned to conclude an agreement between the Ministry of Finance and the State Audit Authority on a regular audit of funds of EC-origin. Issues related to usage of the Euro as an accounting unit and the right of EC institutions to review certain accounting documents etc., will be dealt with by Orders of the Ministry of Finance.

3 The institutional framework for employment policies and ESF implementation

Formulation of national employment policy

Employment policy and its formulation are closely tied to general economic and social policy. Accordingly, all ministries contribute to the creation of policy to a certain degree, since most economic and social policies or actions have a direct or indirect influence upon employment. Fundamental employment issues are addressed in line with the principle of tripartite partnership which brings together state institutions with employers' and employees' organisations. In 1996, a high-level *Tripartite Council* was established on the basis of an agreement between the Government, Trade Unions' and employers' organisations, which committed these bodies to attempting to solve the most urgent social, economic and labour problems by discussion and agreement.

Labour market policy is one element of employment policy, where the State, through the authorised institutions, regulates the operation of the labour market directly and attempts to coordinate labour supply and demand. The programme of activities published by the government normally includes a section with forecasts of employment and labour market policy trends.

The Ministry of Social Security and Labour is responsible for the formulation of employment and labour market policy. The main tasks of the Ministry are:

- to formulate and implement policy on labour, social insurance and social assistance;
- to develop and improve the functioning of the systems of state social insurance, social assistance, employment, vocational training and labour standards; and
- to oversee state regulation of social insurance, social assistance, employment, labour migration, labour relations and standards.

Having taken account of economic and social conditions, the labour market situation, forecasts for unemployment and the available financial resources, this Ministry establishes annual labour market goals and priority objectives for the institutions subordinate to it, i.e., the Lithuanian Labour Exchange and the Lithuanian Labour Market Training Authority.

The Employment Council of the Ministry of Social Security and Labour, which functions on the basis of tripartite partnership, participates actively in this process. It presents proposals on employment and labour market policy, measures for reducing unemployment and their funding and approves annual estimates for the Employment Fund and the Employment Fund report.

Implementation of national employment policy

Implementation of employment and labour market policy is the responsibility of the *Lithuanian Labour Exchange*, which is part of the Ministry of Social Security and Labour and was established on 1 March 1991. Its main function is to implement labour market policy measures and to provide general employment services. The Lithuanian Labour Exchange consists of the National Labour Exchange (an administrative body) and 47 Local Labour Exchange Offices. The *total staff* of the Lithuanian Labour Exchange is 1,100, of which 40 are in the National Labour Exchange. The activities of the Labour Exchange system as well as labour market policy programmes are financed from the Employment Fund, which, in turn, is financed from the Social Insurance Fund.

The main tasks and functions of the Lithuanian Labour Exchange are:

- to analyse labour supply and demand, to forecast possible labour market changes and to prepare state and local employment programmes;
- to identify and register job vacancies, to pass on this information to those seeking a job and to mediate in matching vacancies with job-seekers;
- to collect statistical data on labour market issues; and
- to organise active labour market policy programmes and to pay out unemployment benefit.

The *Tripartite Commissions* are public advisory bodies, representing equally, state institutions and representatives of employer and employee organisations. They are established at the National Labour Exchange and at local labour exchange offices to discuss more important employment-related problems and attempt to solve them through effective social partnership.

Alongside the Labour Exchange system, the ***Lithuanian Labour Market Training Authority*** (LLMTA), under the Ministry of Social Security and Labour, is another state institution which regulates and coordinates the labour market. It consists of the national and regional labour market training services and was charged with establishing the labour market training centres. The LLMTA is financed from the Employment Fund. The activities of labour market training services (six services in the largest towns) are partly financed from State budget. The main tasks of the LLMTA are to implement labour market training and counselling policy, as well to prepare training programmes and to organise their implementation.

Coordination of employment policy

According to its terms of reference, one of the functions of the Ministry of Social Security and Labour is to coordinate employment and labour market policy.

The Ministry coordinates labour market policy by reviewing draft laws and legal acts prepared by other ministries and by presenting proposals and suggestions consistent with employment policy needs. Coordination is also carried out through the participation of representatives of the Ministry in meetings of the Employment Council and the Tripartite Commissions where the interests and needs of all labour market partners are coordinated and ways of resolving common problems are sought.

The Ministry and its Labour Department coordinate the activities of the Lithuanian Labour Exchange and the Lithuanian Labour Market Training Authority. Coordination is achieved by discussing the general goals and measures to be pursued.

In order to make the labour market function more efficiently, considerable attention must be paid to improving the operation of the institutions at local level. Possible means of achieving this include:

- faster decentralisation of labour market management, since, at present, labour market management is centralised and local labour exchanges have limited flexibility;
- involving the social partners more actively in decision-making on labour market policy;
- speeding up the integration of labour market policy into economic policy; and
- implementing a genuine regional policy to replace the present uncoordinated series of measures which are carried out at regional level. (It is envisaged that a regional structure for the Labour Exchange system will be in place by the end of this year.)

Human and financial resources of labour market administration system 1999 estimate

Name of the institution	Human resources (persons)	Financial resources (for the institution's activities) (Litas)
Ministry of Social Security and Labour	130	3,181 000 (for salaries only)
Lithuanian Labour Exchange	1174	40,000 000
Lithuanian Labour Market Training Authority	131	8,000 000

4 *The main outlines of labour market policy*

Lithuanian labour market policy was initially developed in 1990-1991. Because of the peculiarities of the transition period and overall economic uncertainty, employment policy has aimed at restricting job losses, improving the chances of re-employment for those who have lost their jobs and mitigating the negative socio-economic consequences of unemployment.

This has been done by improving the legal basis for labour market regulation, expanding and improving the operation of the state labour market institutions and by putting regional employment programmes in place. Labour market policy measures have been determined by the economic situation in the country and by the objectives of the policy itself. Therefore, the priorities of labour market policy have been:

- to provide assistance to the unemployed to find new jobs, training and re-training;
- to create new jobs for socially-dependent persons;
- to grant loans to the unemployed to help them set up their own businesses;
- to organise public works; and
- to give temporary financial support for the unemployed by paying unemployment benefits.

These priorities are incorporated into the **Law on Support for the Unemployed**, which was passed in 1990 and is the main law regulating labour market policy.

The Law on Support for the Unemployed:

- guarantees the right to choose a job freely or to undertake any activity not prohibited by other laws, as well as the right to choose not to work;
- guarantees the right to career guidance and consultation without charge, information about vacant jobs, free Labour Exchange services while seeking a job, free vocational training and compensation for loss of income in case of unemployment;
- provides additional guarantees for the protection of socially vulnerable persons against unemployment, including state and regional programmes organised by the Lithuanian Labour Exchange together with the state or municipal administrations bodies and the setting of employment quotas for particular categories;
- lays down the duties of employers with regard to terminating labour contracts, dismissing a group of employees and registering job-vacancies in the Labour Exchange; and
- defines the structure and functions of the Lithuanian Labour Exchange as well as the activities of the Tripartite Commissions which operate under its aegis.

The Law on Support for the Unemployed establishes the basis for financing labour market policy. Labour market policy programmes, as well as the activities of the Lithuanian Labour Exchange system, are financed from the special ***Employment Fund***. This Fund is comprised of the social insurance contributions collected by the State Social Insurance Board. The structure of expenditure from the Employment Fund in 1999 is estimated to be the following:

- 45%, for active labour market policy programmes, of which the greater part - about 50% - has been allocated for vocational training and retraining programmes;
- 29% per cent, for paying unemployment benefits; and
- 24% per cent, for the operation of the Lithuanian Labour Exchange and Lithuanian Labour Market Training Authority.

The immediate aim of labour market policy is to increase the employment possibilities of everybody in the labour market. Labour market policy will focus, not on financial support to the unemployed but on support for their employment. The basic provisions of state labour market policy for the future are as follows:

- state labour market policy should be directed, primarily, towards the preservation and improvement of the professional skills of people who have lost their jobs, in order to increase their competitiveness in the labour market;
- in order to help prevent unemployment, employers should be persuaded to invest more in vocational training thus reducing the risk of dismissals arising from improvements in production technology;

- labour market policy must stimulate the unemployed to work, while providing them with the opportunity to participate in active labour market policy measures, such as public works, vocational training etc.;
- a more reliable financing of labour market policy must be established to avoid the risk of money, which is allotted to the Employment Fund, being reallocated to meet other social needs; and
- the idea that money used for active labour market policy be considered as necessary investment into the most important production factor, human capital should be promoted.

Vocational training

A well-developed system of vocational training exists in Lithuania and this is very important in view of preparations for future ESF-type actions.

The Law on the Support for the Unemployed guarantees citizens free career guidance and consultation services as well as free vocational education and training in the case of unemployment.

Vocational education and training is provided in vocational schools, higher vocational schools and labour market training centres.

The labour market training system in Lithuania is part of the vocational education system, whose basic objective is to match labour demand to an appropriately qualified labour supply. This training is designed to satisfy the requirements of a dynamic labour market and to assist individuals in choosing a profession that corresponds to their inclinations and abilities.

The Lithuanian Labour Market Training Authority, a part of the state labour market training system, performs the following functions in the area of labour market training:

- standardisation of training programmes;
- validation of non-licensed professional training courses, provided in labour market training centres;
- preparation, publication and circulation of training methods;
- licensing of labour safety training;
- revising the legal basis of labour market training centres;
- organisation, regulation and supervision of training procedures at labour market training centres;
- regulation, organisation, and supervision of labour market training for the unemployed and the employed under notice of termination of contract;
- promotion of enhanced qualifications for teachers and employees in labour market training centres;
- certification of professional teachers at labour market training centres; and
- evaluation of the effectiveness of labour market training.

The Lithuanian Labour Market Training Authority has established *six regional labour market training services* in the main Lithuanian cities: Vilnius, Kaunas, Klaipëda, Šiauliai, Panevëþys, and Alytus. The main functions of these Services are:

- to collect information about regional vocational training institutions and their labour market training capacity;
- to collect information from the regional labour exchanges about the demand for labour market professional training for the unemployed and the employed under notice of termination of contract;
- to prepare and deliver regional labour market vocational training programmes, matching the demand for qualifications with available training spaces;

- to organise competitions to select vocational training establishments which will provide vocational training for the unemployed and the employed under notice of termination of contract;
- to assess the demand for vocational training in the regions; and
- to study the effectiveness of labour market training.

Throughout the country, there are 14 labour market training centres under the Lithuanian Labour Market Training Authority. These deliver training as required by employers or the labour exchanges in the area.

With a view to ensuring that everybody can be integrated quickly and efficiently into the labour market, a programme of career guidance and psychological consultation services is being provided, across the country, for young people and adults.

Vocational counselling

Information is provided on all career and training matters: the range of vocational training centres; admission and training conditions; the labour market vocational training system; descriptions of professions, qualifications required and employment opportunities etc.

Psychological consultation

This is available to all who are interested, from students and their parents to adults having difficulty gaining or holding employment. The consultation is geared towards helping clients to get to know themselves, to realise their potential and to motivate them to search actively for employment.

Specific groups of people for whom psychological professional consultation is provided, currently, include:

- young people with no professional education;
- the long-term unemployed;
- socially disadvantaged individuals (invalids, handicapped etc.); and
- individuals with professions which are not in demand.

These social groups are given special assistance and individual psychological consultation services. For example, the long-term unemployed are targeted with special psychological training programmes, such as, "Self-awareness and an active search for a professional career," which is based on Dutch, specialist methods. Other groups are encouraged in various ways to participate in psychological training and 'self-awareness' groups.

Together with consultants from the regional labour market training services, the regional labour exchange offices have begun to use a new form of professional orientation and consultation, the "job club." The main objective of the job club is to change attitudes and to re-orient club member towards an active job search approach. The job club also explores the possibility of members setting up their own businesses. The club members also learn how to present themselves to their best advantage and how to dress, speak and act when meeting with a prospective employer.

Recently, other companies, institutions, and organisations have appeared, which work with individuals who have lost their jobs or are searching for jobs and assist them to return or to remain in the labour market. One example is the Social Innovation Fund in Kaunas, established under a Dutch government-financed project, called "Support for the Lithuanian Social Welfare Area." The Fund has organised courses, which provide opportunities to acquire new qualifications, to learn how to use modern computer technology in the workplace and to study English. About 300 women who have lost their jobs and are dependent on the social welfare system have already taken these types of courses. About 30% of these have found employment. The Fund has established a "Temporary Job

Office" company, in which women who have finished the courses can work, at least for a time. So far, this is the only company of its type in the Baltic countries.

The vocational training system is geared towards educating society. The current aims are to develop formally evaluated vocational training programmes and to move towards modular training, as this will facilitate the adoption of a continuous training approach and will make the system more flexible and easier to change as needs demand.

In an effort to involve the social partners in the organisation of vocational training, the *Lithuanian Professional Training Council* was established in 1994, representing equally, state institutions and representatives of employer and employee organisations.

The Council's objectives are:

- to promote the idea of vocational training in Lithuania;
- to provide proposals for the preparation of legislation on the issue;
- to provide suggestions to Ministries, municipalities and companies on questions of vocational training, to coordinate actions between the Ministries of Education and Science, Social Security and Labour and Agriculture and the other social partners participating in the vocational training process; and
- to coordinate foreign assistance in the area of vocational training.

Having regard to the above outline of Lithuanian labour market policy and vocational training systems, we believe that, at present, Lithuania has a well functioning institutional structure. This will need further improvement if it is to be fully ready to participate in the future EU Employment Policy coordination and for the implementation of the ESF-type actions. The necessary increase in administrative capacity and essential institutional reforms are provided for in the National Acquis Adoption Programme. The most important issue is the training of public administration staff and increasing the awareness and participation of the social partners.

Baltic Sea
POLAND

B.2.7 Poland

1 *Regional policy*

Administrative reform has profoundly influenced both employment and education policies. The delegation of power and responsibilities to the regional authorities has a major impact on the way the government implements its policies. Employment policy has, to a great extent, to be redefined in terms of goals and delivery mechanisms and will have to be implemented in partnership with regional authorities.

There are16 regional movements and 370 provincial movements which have extensive powers and responsibilities. The regional government plays a crucial role in the programming and implementation of the regional development programmes while the government representative in a region (the voivod office) is responsible for managing and controlling financial transfers.

The legal basis for local self-government, which is important in the context of structural policies, is provided by:

- the Act on regional self-government, which defines the responsibilities of the region;
- the Act on government administration in the regions;
- the Act on public finance which covers transfers of EU funds, transfers to the regions and multi-annual budgetary planning; and
- the draft Act on the rules of regional policy which deals with contracts between the government and the regions for the implementation of operational programmes.

In the regions, the emphasis in human resource development is on the integration of educational policy instruments (vocational education and training) and employment policy and on maintaining strong links with overall economic strategies.

2 *Structural policy*

New units responsible for structural and regional policies have been established in the key ministries:

- the future ERDF Unit in the Ministry of Economy;
- the future EAGGF Unit in the Ministry of Agriculture; and
- the future ESF Unit in the Ministry of Labour and Social Policy

In each case, structural policy is combined with regional policy through partnership and cooperation with the regional governments. These units are responsible for preparing sectoral strategies which form the basis for National Development Plan.

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The Department for Structural and Regional Policies (Molsp)

This is the unit for structural and regional policies within the Ministry of Labour and Social Affairs and it is responsible for:

- preparations for the ESF;
- management of pre-accession programmes in the area of employment policy; and
- cooperation with the regions

National Strategy for Employment and Human Resource Development

The Ministry's role is:

1. to develop a proactive policy based on a long-term vision;
2. to deliver both national and the EU financial support to the regions; and
3. to oversee national schemes reserved for national actions (based on the concept of citizens' entitlements) and either delivered by central administration or assigned to the regions.

Challenges facing the Ministry include:

- the increasing number of young unemployed;
- the increasing number of long-term unemployed;
- the low level of skills among the unemployed;
- the need to create new sources of employment because of the restructuring of industrial sectors, the restructuring of agriculture and the increased number of graduates entering the labour market; and
- the need to improve productivity and the quality of human resources in order to improve the competitiveness of the economy.

The strategic goal is to increase the level of participation in the labour market and improve the quality of human resources by:

1. improving employability;
2. promoting entrepreneurship development;
3. improving adaptability; and
4. promoting equal opportunities.

Improving employability

The Ministry's efforts to improve employability concentrate on:

1. strengthening the links between the educational system and labour market needs by
    - supporting employment-oriented curricula and educational programmes; improving the quality of initial vocational training; and encouraging cooperation between schools and employers;
    - promoting vocational guidance in schools;
    - improving the qualifications of teachers/ trainers; and

  - continuous training and other forms of assistance to schools leavers, in particular to early leavers and those living in rural areas.

2. Ensuring continuous training for adults by:
   - improving the quality of training and of the training of trainers;
   - supporting services provided by vocational education and training institutions in close cooperation with the private sector; and
   - encouraging the setting up Training Funds at company level through tax incentives, for example.
3. Improving qualifications of the unemployed through:
   - the development of active labour market instruments and the simultaneous reduction of expenditure on passive measures;
   - the integration of services by the pathway approach; and
   - improving the quality of labour market information.

Delivery of the programme is through the public employment service and, via a framework of regional contracts, through the regional development agencies and vocational training institutions.

3 *The ESF and pre-accession programmes*

It is envisaged that the ESF will co-finance two types of Operational Programmes:
- nation-wide (horizontal) Operational Programmes; and
- regional, multi-fund Operational Programmes.

Horizontal Operational Programmes

The National Labour Office will be the main partner and managing authority of Operational Programmes targeted at unemployed people. Active labour market programmes at national level, financed by the Labour Fund, will be supported.

Regional Operational Programmes

The ESF, ERDF and EAGGF will be integrated under regional Operational Programmes. Programmes will be developed on the basis of regional strategies and contracts between the government and the regions. The ESF may co-finance the following types of activities:
- initial vocational training;
- continuous vocational training; and
- SME development.

Phare 2000

Important details concerning the rules of the programme are still unknown, particularly with regard to the question of regionalisation.

"The Integrated Social and Regional Development Programme"

(a simplified National Development Plan and 5 corresponding regional programmes)

Priority measures to be developed in cooperation with the Ministry of the Economy are:

1. technical assistance to regional governments;
2. technical assistance to project promoters;
3. diversification of the production base through restructuring, SME development and increased Research and Development;
4. the development of rural areas (SAPARD and the ERDF);
5. the revitalisation of small towns;
6. tourism development;
7. regional infrastructure;
8. cross-border cooperation; and
9. human resource development

Human resource development

Projects will be co-financed from the targeted budgetary reserve.

Staff in the regions were trained and provided with the following guidelines:

1. Projects should have a complementary character;
2. Projects should be developed in the context of:
    - restructuring of industrial sectors;
    - restructuring of agriculture;
    - integration of young people into the labour market;
    - SME development; and
    - integration of the long-term unemployed.
3. Priority should be given to counties suffering from structural unemployment;
4. There should be close cooperation with employers organisations; and
5. The Instruments to be used are:
    - training and re-training for young people, the employed, the unemployed and people in danger of becoming unemployed; and
    - vocational guidance, in particular for young people in rural areas.

4 Lessons and challenges from the study visits

The following lessons and challenges have been identified:

- the need for closer cooperation between line ministries;
- the need for coordination of regional policy, with common criteria for various forms of support and clear delimitation of areas;
- better labour market information (programming, monitoring and implementation);
- strategic solutions for continuous training of the employed (preventive measures, in the case of Poland) based on private sector involvement;
- the need for a clear delineation of the respective responsibilities of central government and the regions;
- training for regional authorities; and
- the integration of EU and national policy (information on the flow of funds and financial engineering).

ROMANIA
Black Sea

B.2.8 Romania

1 *Overview of the political framework*

Social Europe, which is a central concept in the construction of the European Union, is based on an awareness of fundamental social rights as enshrined in the *European Social Charter* (Turin, 1961) and the Community Charter on the Fundamental Social Rights of Workers of 1989. The terms of the Amsterdam Treaty, Art. 136 *et seq.*, provide for the promotion of employability and the improvement of living and working conditions. This opens the way to gradual harmonisation with regard to social protection, the social dialogue and human resources development with a view to reaching a high and sustainable level of employment, as well as to combating social exclusion.

For Romania, reaching the same level of development as the EU and achieving convergence with Member States will require a multi-faceted and dynamic process of economic and social cohesion.

Romania has to deal both with economic renewal and the implementation of the social dialogue at central and local levels. The Government Programme, where this double objective is outlined, illustrates the need for a major transformation of society. It will require reform of the judiciary, as well as of the institutional system. The main aim is to set up and provide for the continued functioning of a proper framework for social dialogue, based on the principles of democracy and the prerequisites of a market economy.

2 *Towards an Employment Policy Review*

2.1 *Labour market policy*

Labour market policy is structured round the strategic objective of the government which is to create a strong middle-class by accomplishing structural reform, creating a stable and favourable framework in which private initiatives can flourish, encouraging investment, creating new jobs, increasing social resources continuously and integrating vulnerable groups into the community and ensuring their subsequent protection.

2.2 *Policy aspects, strategies and implementation of an emergency programme for the active and passive protection of people made redundant by the restructuring of state-owned companies*

The legal framework

The legal framework was established by Emergency Ordinance No. 9/1997, which contains provisions on severance and redundancy payments and on a special programme of active measures to help redundant workers find new jobs.

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Contents of the programme

This special programme included a wide range of services to help redundant people to reshape their careers. All of these services were designed to be provided at regional level by private bodies selected by tender. They include:

- pre-layoff, rapid response and planning services;
- employment and re-allocation services;
- training in techniques to find a new job;
- entrepreneurial and vocational training;
- small business advice and assistance;
- small business incubator measures;
- local economic development planning initiatives; and
- community-based public service employment.

The programme was designed to ensure the involvement of the social partners in the entire process. Specific tripartite committees, comprised of representatives of the unions, employer associations and the government, were established at regional and national levels. The role of these committees is to determine the needs of the county in terms of specific active measures and to establish priorities.

The programme was designed to last for two years, 1998 and 1999, and was funded by a World Bank loan of 8.5 million USD and a local contribution of 100 billion lei. The programme will be followed up on two levels:

- by European Community support provided in the context of the PHARE programme 1999, which will focus, mostly, on five areas where there are large state-owned companies that have not yet been restructured and where resources will be allocated on the basis of PHARE procedures; and
- a new loan agreement with the World Bank, which will be used to continue the main themes of the previous programme but with more focus on pre-layoff activities and on a public information campaign.

The main theme of all the programmes is the need for social and economic policies aimed at producing an active, competitive and fair society, which includes structures for social dialogue and for the promotion of SMEs and local job creation.

2.3 Policy aspects, strategies and implementation of the programme for the protection of the unemployed

The legal framework

The legal framework was established by Law No. 1/1991, as modified by Law No. 65/1997, Ordinance No. 47/1997 and Law No. 126/1998. Additional provisions, which were necessary to implement the full range of active policies were laid down in Government Decision No. 288/1991, as modified in 1994, on vocational training and retraining for the unemployed and Emergency Ordinance No. 35/1997 on encouraging employers to hire recent secondary education graduates.

Contents of the programme

These laws lay down that an unemployed person is entitled to receive assistance in finding a new job and/or unemployment benefit according to his or her personal circumstances.

Measures for the unemployed persons are generally applicable and can be invoked by all job seekers. They are based on the principle, which increasingly inspires EU labour market policies, i.e. that prevention is better than cure.

In an effort to support job creation and the development of SMEs, low interest rate loans from the unemployment fund are available to employers on condition that they hire unemployed persons to fill at least 50% of the newly created working places on a work contract basis and that they maintain these jobs for at least 3 years.

Finance for this measure, which is at the core of the policy, has already been introduced in the 1999 budget and will become a regular budgetary provision. It is expected that, in 1999, 3,000 new working places in SMEs will be created as a result.

A similar provision is directed at the integration of recent graduates into the labour force. Seventy per cent of net salary costs for one year are paid to employers, provided a work contract of unlimited duration has been agreed and that the job lasts for a minimum of 3 years.

Training, to adapt the skills of recent graduates starting their first job to the needs of the work place, can also be subsidised and is provided for in the 1999 budget measure.

In 1999, it is expected that the integration of recent graduates into the workforce will reach a maximum level of 50,000.

This measure conforms to the EU labour market policy of facilitating equal opportunities for young people with no work experience.

According to the law, unemployed persons are entitled to training to improve their access to the labour market. Training is organised on the basis of local labour market needs and takes into account the low level of mobility in the Romanian labour force.

Training is organised by specialised bodies, either the county employment and training services or by public or private providers selected, as laid down by the law, by tender. Access to training is free for the unemployed and for job seekers in general.

The budget makes provision for training about 60,000 people in the 1999 financial year.

Active measures are also being undertaken to help match labour demand with supply. There are quarterly employment fairs in which local companies looking for labour and the employment service, which selects and supplies job seekers with the relevant skills for the jobs, take part.

Specific employment services, such as information, counselling, career guidance and job placement as well as training or re-training courses are available to job seekers.

2.4 *Institution building*

The legal framework

The first step in the reform of the Ministry of Labour and Social Protection was the establishment, on 1 January 1999, of the National Agency for Employment and Vocational Training (NAEVT), a public service organised at national, county and local levels. (Law 145/1998)

Programme contents

The main objectives of NAEVT are:

- to promote social dialogue in the field of employment and vocational training;
- to implement employment and vocational training strategies; and
- to implement social protection measures for the unemployed.

The social partners, as members of the administration board of NAEVT, deal with labour market problems. At county level, consultative committees, which involve the partners in specific areas of employment and vocational training, have also been organised.

The reform process is underway and the new agency is not just another administrator of funds but a modern body that will offer high quality services to the unemployed, job seekers and employers.

The new idea of integrated services, whereby a client remains with the same employment agent who follows his/her professional career and development, is being put into practice. The employment agent also tries to find vacancies, particularly in sectors that best suit the needs of the client.

The whole structure will be modernised as far as offices, equipment, information technology systems and the products used in related activities are concerned.

There is a need for investment in the human resources available to the employment services. In January 1999, basic training activities for existing personnel were started. The training programme, which was designed with technical assistance from Germany, includes specific training for standardised activities in the employment and training agencies.

One important new activity that will be developed in the newly created agency will be the continuous training of staff, which will be carried out in the agency's own training centres.

3 Towards the National Development Plan

In the last few months, great progress has been achieved in sectoral and regional policies in Romania.

The Law on Regional development, No. 151/1998, created the institutional framework by setting up the National Agency for Regional Development and the eight Regional Agencies, one for each of the eight macro regions.

A profile of the eight regions is being drawn up and, by the beginning of July, it will be possible to draw up the National Plan for Regional Development. The draft guidelines for the development of this document are presented in Annex 1.

The sectoral strategies are also being developed and, given progress in this area, it will be possible to have a draft of the National Development Plan ready at the beginning of October 1999.

As well as this, because difficult decisions had to be taken with regard to the social consequences of economic restructuring, there has been a major national debate, in recent months, on "*Finding a Common Perspective on Long-term Development*". Consultation on this issue was ordered by the Government and was carried out with the support of the World Bank. The conclusions of this debate will be known at almost the same time as the draft version of the National Development Plan is completed. This will make it possible to reach consensus on major issues.

In the meantime, Romania has completed the National Plan for the Adoption of the *Acquis Communautaire* (NPAA). The Plan sets out short and medium-term priorities for the transposition of the *acquis* and provides a basis for drafting a National Plan on Human Resource Development.

Human Resources Development is the main tool for social and economic cohesion. The adoption of an integrated approach to development is a challenge for Romania, given its past experience in this area. For this reason, the group participating in the SPP/ESF programme would like to see a Sectoral Operational Programme on Human Resource Development being set up in the near future.

An outline document on a National Programme for Human Resource Development is presented in Annex 2, which also lists the institutions involved in drawing it up. Work on drafting the programme is being carried out by the Romanian National Observatory, with significant support from the European Training Foundation. In order to ensure that the programme is responsive to the real needs of the country, it will be piloted first in the Constantza county area.

Among the topics mentioned in the outline programme are "the knowledge base and innovation" and employment issues. Improving the knowledge base and innovation are regarded as essential for the future development of human resources, as set out in Annex 3.

From the employment point of view, the national *priorities* already identified focus on:

- reaching social and political consensus on the National Employment Action Plan;
- completing the legal framework, e.g. the Law on the Vocational Training;
- increasing the responsiveness of institutional arrangements and improving their management;
- training the civil servants involved in the implementation of the above-mentioned measures; and
- developing a flexible and accessible information system.

The *problems* that are likely to arise include:

- the uneven pace of economic restructuring and the implementation of employment strategies;
- overlapping and/or lack of coordination among the institutions involved; and
- delays in the application of the principle of subsidiarity, particularly in the field of decision-making.

Employment policies and strategies include vocational education issues. The recent Phare Vocational Education and Training Reform Programme, which was developed with the support of the European Union, permitted the following to be achieved:

- a flexible system based on clearly defined structures corresponding to different levels of qualifications (apprentice schools/apprenticeship training, vocational schools, technical high schools, post secondary schools) has been set up;
- within each structure, a multi-level curriculum, based on a tree-like model that avoids narrow specialisation at an early stage of training, has been developed;
- the last year of training is on a modular basis that facilitates the transition from school to work because it is tailored to technical competencies and should be delivered in the work-place;
- the curriculum is competency-based, with an emphasis on key competencies deduced from occupational standards which represents labour market needs, as well as more generic personal and social competencies;
- seventy per cent of training time is devoted to the core curriculum and the remaining 30% is dedicated to areas such as local development, cross-curricular themes and optional subjects that allow for increased local mobility and employment opportunities; and
- the role of the social partners has been established and is becoming crucial to the development of vocational education curricula.

From an institutional point of view, the Ministry of National Education has set up the General Directorate for Human Resources and the Lifelong Learning Directorate and, on 1 January 1999, the National Centre for Technical and Vocational Education Development, which has branches in all eight macro regions, was established.

Social partnership is organised on a consultative basis at national, regional and local levels.

The National Council for Vocational and Continuing Education was set up by Emergency Ordinance No. 36/1997, which modifies the Education Law No. 84/1995. Similar bodies, which also have a tripartite structure, have been set up at county level.

The legal framework for the implementation of the Phare Vocational Education and Training RO 9405 programme is already in place, the main problem in this areas being the lack of resources for teacher-training and for equipment.

There is still a need for non-compulsory legislation to involve the business sector in the financing of vocational education.

Lifelong learning is regulated by Government Ordinance No. 102/1998, which is currently being debated in Parliament.

In summary, we can conclude that labour market policy in Romania and, particularly the active policy measures that have been introduced, promote the four pillars of the EU employment strategy.

The most recent developments show that the five priority fields for Objective 3 have been incorporated into government strategy for the coming years and programmes along these lines have already been negotiated with international organisations.

4 The institutional framework for the implementation of employment policies and the ESF

Employment policy is coordinated by the Ministry of Labour and Social Protection and implemented by the National Agency for Employment and Vocational Training. As was mentioned above, the agency has regional and local centres and offices. Achieving synergy between the agency and all the institutions that have sectoral responsibilities is important, but difficult.

The Task Force created for the Sectional Operational Programme for Human Resource Development is an example of a good institutional arrangement, which could, perhaps, be adopted elsewhere.

Enhancing the institutional capacity of the involved partners has already been planned in the context of the twinning process.

The support of the European Commission and the European Training Foundation is necessary for acquiring information on good practice and procedures.

5 Main Lessons Learned

The Romanian delegation participated in study visits to Portugal and Italy. The main lessons learned were:

- the ESF is the principal mechanism for promoting economic and social cohesion;
- the ESF is an instrument for the creation of convergence in the Member States;
- the ESF provides a link between the horizontal and vertical approaches.

INSTITUTIONAL FRAMEWORK FOR ESF IMPLEMENTATION

	EPR[2]	Dev. Plan PHARE	Section Human Resources			HRD Policies
			Initial training	Continuing training of unemployed	Sectoral vocational training	
MLSP[3]	X	X		X	X	X
NAEVT[4]	X	X		X	X	X
MNE[5]	X	X	X			X
VETDC[6]	X	X	X			X
NARD[7]						X
Other institutions[8]	X	X			X	X

The Task Force created for the Sectional Operational Programme for Human Resource Development is an example of a good institutional arrangement, which could, perhaps, be adopted elsewhere.

Enhancing the institutional capacity of the involved partners it is already planned in the context of the twinning process.

The support of the European Commission and the European Training Foundation it is necessary for exchange of information on good practices and procedures.

- the ESF strengthens subsidiarity;
- the ESF gives a distinct role and individual voice to the social partners;
- the ESF supports economic development through restructuring;
- the ESF creates synergy between all the actors involved, at an intra-governmental level, as well as between the many social actors (although administrative structures are different in the two countries, i.e., Portugal and Italy, and there is still room to improve co-ordination, it was obvious that roles and relationship were clearly defined);
- the ESF has a community-based approach and is, therefore, tailored to individual needs;
- regional arrangements decrease the distance between decision-makers and beneficiaries; and
- as far as education within the ESF framework is concerned, human capital is regarded as a tool for development and the financing of education is seen and an investment in human resource development.

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[2] Employment policy review

[3] Ministry of Labour and Social Protection

[4] National Agency for Employment and Vocational Training

[5] Ministry of National Education

[6] VET Development Centre

[7] National Agency for Regional Development

[8] Economic ministries, public administration

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Observations on the visit to the Portugal

- Programmes such as PESSOA, PRODEP and PRAXIS XXI have supported the achievement of educational goals and the setting up of vocational schools.
- The ESF was based on four axes: human resource development and employment; improvement of competitiveness; improvement of the quality of life and social cohesion; and strengthening the regional economic programmes.
- Most of the ESF budget of the ESF, 70%, was devoted to the first axis.
- The National Institute for Public Administration is one of the training providers for civil servants.
- One of the key elements for successful development, based on the use of the Structural Funds, is the extent to which they are used to complement the national budget.
- Multiple, axis-oriented interventions in specific economic domains, decided at national level, ensures the fulfilment of strategic national priorities.
- Local authorities, after consultation with the social partners, establish development outlines, with regional council approval.
- Seventy per cent of vocational training is supported by the Structural Funds: 25% of this is used for innovation and 75% for actual training.
- *Observations on the visit to Italy*
- The regional approach provides an institutional framework for the implementation of the ESF.
- Information flows and advertising campaigns are important for the development of a promoters' culture.
- Information technology can be used very effectively in the implementation and financial management of projects.
- Corrective actions taken during the lifetime of ESF programmes can enhance their chances of success.

ANNEX 1
NATIONAL PLAN FOR REGIONAL DEVELOPMENT

Draft guidelines

Chapter I
Context and analysis of regional development in Romania

1.1. General features of the country

- Geographical description of the country: the administrative structure
- Natural resources
- Population, structure, density
- Synthetic indicators of economic and social development

1.2. An analysis of the actual economic and social situation - an outline of the discrepancies between regions

1.2.1. Population and labour resources

- Demographic structures
- Labour resources
- The labour market

1.2.2. The production sector

- Industry
- Construction
- Small and medium-sized enterprises
- Tourism
- Agriculture and rural development

1.2.3. Basic Infrastructure

- Transport (road, rail, air)
- Telecommunications
- Power, gas and water networks
- The infrastructure of social services (health, education etc.)
- The infrastructure of the environment

1.2.4. The outcome of previous interventions financed by international funds

1.3. An analysis of the economic and social situation of Romania

1.3.1. Analysis and outline of weak points and possible threats

1.3.2. Analysis and outline of strong points and possible opportunities

1.3.3. Assessment of the country's development potential

1.3.4. Romania's comparative advantages and disadvantages in the international framework

1.3.5. Definitions of the main priorities (priority needs for national development)

Chapter II

Long term national development strategy

2.1. The establishment of strategic objectives for the realisation of priority objectives

2.1.1. Main lines of development

2.1.1.1. Creation of economic competition and strengthening of economic fundamentals in the regions

- Support for the SME sector
- Support for tourism
- etc.

2.1.1.2. Development of basic infrastructures

- transport infrastructure
- communications infrastructure
- etc.

2.1.1.3. Reducing regional disparities and consolidation of regional economies

- strategic priorities of the North-East region
- strategic priorities of the South-East region
- other

2.2. Assessment of the impact of the strategic objectives on the overall economic, social and environmental situation of the country

2.3. Integration of the National Development Strategy into the Accession Partnership and the NAPAA

2.4. The planned contribution of pre-accession Community structural instruments (PHARE, ISPA, SAPARD) to the drafting of the NationalDevelopment Strategy

Chapter III
Measures and Action Programmes to achieve strategic priorities

3.1. Measures and action programmes for the development line 1

3.2. Measures and action programmes for the development line 2

3.3. Other

Chapter IV
Financing plan (for 2001 - 2002)

4.1. Coordination of Phare, Ispa, Sapard funds

4.2. Other identified sources of finance

4.3. Structure of finance - goals and measures

4.4. Details of the projects for the year 2000

Chapter V
Structures and Implementation Mechanisms

5.1. The management of the proposed projects

5.2. Monitoring of the programmes and projects

5.3. Evaluation of the programmes and projects

5.4. Control systems

ANNEX 2
THE NATIONAL PROGRAME FOR THE DEVELOPMENT OF HUMAN RESOURCES

I. *The development of human resources in Romania within the framework of preparation for accession to the European Union*

a. The political context
b. The social and economic context
c. The demographic context G1

II. *Directions for development*

1. The basis of knowledge and innovation
1.1. Basic education for all
1.2. Human resources for the education system
1.3. Higher education and research
1.4. Lifelong education and learning society G2

2. Employment
2.1. Active labour market policies to promote employment
2.2. Adaptability and entrepreneurship
2.3. Equal opportunities
2.4. Human resources management
2.5. Human resources in public administration
2.6. Effectiveness of investment in the development of human resources G3

3. Modernising and restructuring the economic sectors G5
4. Health and social assistance G4
5. Regional development promotion G5

III. *Action plan*
Sectoral policies
Strategic priority objectives G6

1. Priority measures for the period 2000 - 2003
1.1. Youth
1.2. Social exclusion

1.3. Equal opportunities
1.4. Anticipation of and adaptation to industrial change
1.5. Long term unemployment

G1 = Working group 1 – Department for European Integration, The Romanian National Observatory

G2 = Working group 2 – The Romanian National Observatory

G3 = Working group 3 – the Ministry of National Education, the National Agency for Employment and Vocational Training, Department for European Integration

G4 = Working group 4 – Ministry of Health, SESAM

G5 = Working group 5 – the National Agency for Regional Development, Ministry of Finance

G6 = Working group 6 – Think Tank

ANNEX 3
DIRECTIONS FOR THE DEVELOPMENT OF HUMAN RESOURCES

1. *The knowledge base and innovation*

1.1. *Basic education for all*

a) Policies, legislation and institutional framework
b) Priority issues

- The balance between equity and quality
- Basic competencies for all
- Special opportunities for vulnerable groups

c) Directions for action

1.2. *Human resources for the educational system*

a) Policies, legislation and institutional framework
b) Priority issues

- Teacher training
- Management training
- Learning effectiveness and educational outcomes

c) Directions for action

1.3. *Higher education and research*

a) Policies, legislation and institutional framework
b) Priority issues

- Restructuring, qualifications and specialisation
- Integration of research and teaching
- Quality assurance and control

c) Directions for action

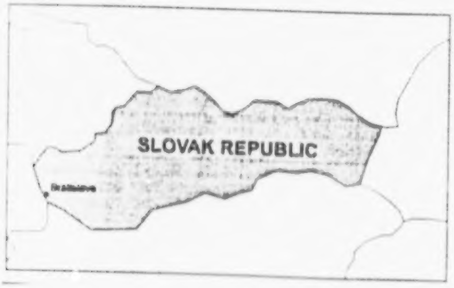
1.4. *Lifelong education and the learning society*

a) Policies, legislation and institutional framework

b) Priority issues

- Education as a national priority
- Adult education and lifelong learning
- Internal cohesion and institutional coordination of educational reforms

c) Directions for action



B.2.9 Slovak Republic

1 *Overview of the political framework*

Towards an Employment Policy Review

In 2000, the representatives of the Ministry of Labour, Social Affairs and the Family and DG V will initiate discussions on an Employment Policy Review, with a view to harmonisation with EU employment policy. The former would like to make preparations for drawing up the National Employment Plan within the framework of Phare COP 1999 but this has not yet been agreed with the EU.

On the basis of a Government Resolution, the Ministry of Labour, Social Affairs and the Family has been preparing the Employment Policy Strategy for the period 2000-2002. This is a basic strategic document on state employment policy and will be a background for further discussions with EU officials in developing a national employment plan in conformity with EU Employment Policy Guidelines. The Employment Act stipulates that the Ministry of Labour, Social Affairs and the Family is obliged to announce employment policy priorities every year.

The main purpose of the employment policy is to ensure the constitutional right of citizens to employment by implementing various measures. These include:

- active labour market instruments:
    a) to support for the creation of new job opportunities;

    b) to maintain existing jobs, to promote retraining and to encourage foreign investment into Slovak Republic;

    c) to support the creation of new job opportunities in specific sectors, such as car production; and

    d) to support the employment of school leavers in agriculture;
- support for jobs for school leavers and young people;
- support for public works;
- measures to support the retraining of registered unemployed job-seekers;
- support of the employability of handicapped people, including the establishment and running of sheltered workshops.

The current employment strategy in Slovak Republic combines macroeconomic policy with structural and active labour market policies aimed, primarily, at integrating young people into the labour market, preventing long-term unemployment and creating the conditions for the promotion of equal opportunities.

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Current labour market policy is similar to that in EU countries. The emphasis is on active measures to support the most vulnerable groups on the labour market, such as the long-term unemployed, graduates and young people, people over 50 years of age and the disabled.

The legal framework for employment policy and labour market policy is the Employment Act, which is continuously amended as the labour market itself develops.

The short-term priorities included in **the National Programme for the Adoption of the Acquis** (NPAA) are:

- the Amendment to Employment Act No. 387/1996, as amended by later regulations;
- the Amendment to the Labour Code, which was submitted to the Government in May 1999 and came into force in October 1999
- (Provisions to ensure that procedures in district labour offices satisfy claims for the guarantee fund and provisions on the insolvency of employers and the satisfaction of employees' claims in the event of such insolvency will enter into force on January 2000); and
- the implementation of the Employment Policy Strategy, which covers the period up to 2002 and includes the preparation of the National Employment Plan.

The medium-term priorities include:

- the implementation of retraining programmes to ensure that there is a link between labour market demand and the skills and qualifications of the registered unemployed and employed, including the disabled (2000-2002);
- the creation of a national training centre and the implementation of a regional pilot retraining programme (2000-2002); and
- providing support for the preparation and implementation of regional and local development programmes (2000-2002).

The institutional framework

Among the institutions, which already exist and which fully comply with the requirements for the thorough implementation of the acquis, are the ministries, particularly the Ministry of Labour, Social Affairs and the Family, the Ministry of Finance, the Ministry of the Economy, the Ministry of Agriculture, the Ministry of Construction and Public Works and the Ministry of Environment.

There are other institutions, which already exist but which will need to acquire additional equipment, personnel and technological competence. Chief among these is the National Labour Office. Institution-building in these institutions is directed at:

- putting into place the staff and the material conditions necessary for the preparation and implementation of regional and local employment programmes and projects;
- setting up information centres, which will include information on job opportunities for the disabled;
- developing the staff and material conditions necessary for medical assessment activities;
- preparing a programme to compare the registered data on unemployment with surveys, using Eurostat and ILO methodology, and putting the staff to implement this programme into place in the National Labour Office and the Ministry of Labour, Social Affairs and the Family;
- setting up the guarantee fund and putting into place the staff and material conditions to ensure that employees are protected in the event of their employer going bankrupt; and

- setting up a management unit at the Ministry of Labour, Social Affairs and the Family to administer and implement pre-accession measures and projects within the framework of the European Structural Funds, including the European Social Fund.
- Institutions, which do not exist but which should be established before accession to the EU, include:
- independent institutions for assessing employment policy, labour market development and productivity; and
- independent bodies, at regional and local levels, to prepare and implement programmes and projects to promote regional development and employment.

2. *The preparation of Phare 2000 National Development Plan and the projects to be financed*

The preparation of the National Development Plan is a strategy to give Phare 2000 support to economic and social cohesion. The preparations started within the Special Preparatory Programme for the Structural Funds and the following steps have been undertaken:

- in May 1998, the Structural Funds Task Force, which is made up of representatives from relevant, sectoral ministries, was set up;
- in October 1998, a twinning project, aimed at institution-building, was presented to the EU and, in February 1999, the names of the members of twinning team were communicated;
- the Structural Funds Task Force selected the framework contractor for the supply of short-term experts (for the collection of basic data and a SWOT analysis); and
- terms of Reference for a tender for EU and local experts to prepare the National Development Plan by the end of September 1999 were announced and, in April 1999, a shortlist of consulting companies to be invited to the tender was presented to the EU delegation.

Since 1995, the Department for Social, Scientific and Technological Developmental Strategy (as set up by Act No. 347/1990 and amended, particularly, by Act No. 74/1995) is responsible for **regional policy.** On the basis of Government Resolution No 922/1998 of 23 December 1998, this Office will be merged with the Ministry of Construction and Public Works. The merged body will be called the Ministry of Construction and Regional Development.

The legal document that deals directly with regional policy legislation is "State Regional Policy", which was adopted by Government Resolution No. 802/1997. This document defines the key goals of state regional policy as:

a) preventing further decline in the regions;

b) securing balanced economic development; and

c) overcoming the substantial imbalances in the social, economic, cultural and infrastructural conditions of the different regions.

The present government has decided to intensify activities aimed at creating structures for regional and structural policy and at preparing for Slovak Republic's participation in EU structural policy.

The institutional Framework

The legislative and institutional framework for the regional policy system includes, **on a national level:**

a) the Council of Government for Regional Policy;

b) the Ministry of Construction and Public Works, which, on the adoption of the Allocation of Competences Act, will be renamed the Ministry of Construction and Regional Development, is the central body responsible for regional policy; and,

c) the National Agency for Regional Development, the draft proposal for the establishment of which will be submitted and discussed by the government in June 1999.

On a regional level, the framework includes:

d) state regional and district offices, which will include units for regional development and for other sectoral relations and which will be involved in the implementation of development policies at regional and district levels; and

e) regional development agencies, which are networks of non-profit-making organisations supporting economic development and liasing with private and public sectors as well as with all other partners involved in the development of the region.

In addition, Action Plan 199c.1 on government legislation includes a **proposal for legislation to promote regional development.** The current state of discussion indicates that this legislation would contain three elements:

1. a strategy to support regional development;
2. a medium-term policy for regional development, to cover the period from 2000 to 2006; and
3. final and transitional provisions.

The strategy document on State Regional Policy, which was adopted by Government Resolution No.802/1997, outlines two objectives:

- preventing further economic decline in the regions; and
- ensuring balanced socio-economic development of the regions and the elimination of significant disparities in social, economic, cultural and infrastructural conditions.

A high unemployment rate is one of the principal criteria for the selection of priority regions. Legal entities from priority regions may submit development projects and apply for grants from the state budget. Applications are assessed according to criteria for financing approved by the government (In 1999, for example, the criteria were approved in March by Government Decision No. 285/1999).

The criteria favour projects aimed at:

- the development of the employment potential, and the employment, of specific target groups (the young unemployed, the disabled and the long-term unemployed);
- the strengthening of export potential;
- supporting SME'S;
- production based on local raw materials or materials processed locally;
- saving fuel and energy;
- environmental protection; and
- the development of services and of tourism infrastructure.

The criteria for financing of projects supporting labour market policy (Act 387/1996, as amended) include the location of the project in regions with a higher than average unemployment rate.

The medium-term **Integrated Regional Development Plan,** which should reflect the needs of the priority regions, is currently being prepared. The Task Force was set up within the Department for Social, Scientific and Technological Developmental Strategy, which has drawn up the methodology guidelines. These were approved by the Vice-Prime Ministers responsible for regional development, who, on the basis on a Government Resolution of June 1999, have the task of nominating the Coordinator of the Task Force and the members from the most significant ministries in the field:

- the Ministry of Construction and Regional Development;
- the Ministry of Agriculture (which includes rural development);
- the Ministry of the Environment;
- the Ministry of the Interior;
- the Ministry of Finance;
- the Ministry of Labour, Social Affairs and the Family;
- the Ministry of the Economy;
- the Ministry of Transport, Post and Telecommunication; and
- the Statistical Office.

The Task Force will also include representatives from the local authorities, regional developmental agencies, the social partners and non-governmental organisations active in this field.

The Integrated Regional Development Plan will be submitted to the government for discussion and approval in September 1999.

3 *Complementarity and Partnership*

In Slovak Republic, there are several ministries involved in the developing of employment policy:

- the Ministry of Labour, Social Affairs and the Family;
- the Ministry of Education;
- the Ministry of the Economy;
- the Ministry of Agriculture;
- the Ministry of Transport, Post and Telecommunications;
- the Ministry of Construction; and
- the National Property Fund.

The key role in designing employment and vocational education and training policies is played by top officials from the Ministry of Labour, Social Affairs and the Family and the Ministry of Education.

The most representative tripartite body, the Council for Economic and Social Agreements, plays an important role in drawing up employment policy at a national level. This consultative body consists of representatives of trade unions, associations of employers and the Ministry of Labour, Social Affairs and the Family. The Minister for Labour, Social Affairs and the Family is the Secretary General of this council and chairs its meetings, which are held regularly.

The Ministry of Labour, Social Affairs and the Family has developed the administrative capacities necessary for the implementation of the ESF. Within the Ministry, the current Department for Phare and other foreign assistance is the result of a merger between the two former Project Implementing Units (Labour Market Restructuring and Social Security) and may take over responsibility for managing the ESF at a central level. A Joint Task Force, consisting of the representatives of the National Labour Office, the Ministry of Labour, Social Affairs and the Family, the Ministry of the Environment, the Ministry of Finance, the Government Offices, relevant NGOs, trades unions and regional development agencies, will be set up to examine this question.

4 Coordination at national level between the three fields of intervention

Employment policy is implemented by ministries and other central bodies in the state administration, the National Property Fund of the Slovak Republic, employers and local authorities within their jurisdiction and in cooperation with representative organisations of employers and employees. The state has mandated the National Labour Office (NLO) to carry out activities to ensure the implementation of labour market policy.

Employment Policy

The National Labour Office is one of the most important bodies engaged in the task of implementing the strategic pillars of the European Employment Strategy. The National Labour Office was established by an Act of the National Council of the Slovak Republic as a public service institution aimed at protecting the constitutional right of citizens to employment. It fulfils its role, principally by:

- providing employment and placement services;
- providing guidance on the selection of employment;
- supporting employment by creating new jobs, maintaining existing jobs and creating the conditions for professional and geographical mobility;
- adjusting the vocational skills and qualifications of the employed and the unemployed to labour market requirements;
- alleviating the negative impacts of structural, organisational and rationalisation measures;
- paying particular attention to finding work for young people, who are no longer engaged in vocational training, secondary school leavers and university graduates, people over 50 years of age, people who have been registered as unemployed for over a year and people with disabilities; and
- administering unemployment benefits.

The system of financial management in the National Labour Office reflects the public service nature of the organisation. It is based on the principle that the unemployment fund is separate from the state budget. This, in turn, is a direct reflection of the link between the demand for unemployment benefit and the availability of resources, which depends, above all, on regular contributions to unemployment insurance funds.

The activities of the National Labour Office are carried out by its self-governing executive bodies which operate on central, regional and district levels. In line with the administrative divisions in Slovak Republic, the National Labour Office has eight regional labour offices, 79 district labour offices and 54 branch offices.

The executive bodies of the National Labour Office are responsible, above all, for:

- levying and collecting unemployment insurance contributions;

- disbursing unemployment benefits;
- providing employment services and organising work placements; and
- providing career and vocational guidance.

The overall task of the National Labour Office is the implementation of active labour market policy measures, in accordance with the approved priorities of the labour market policy and taking into account the specific situations in the regional labour markets.

The National Labour Office's annual budget, which includes all its revenue, amounts to a total of SKK9 600 000 000. A substantial part its revenues is from contributions to unemployment insurance. An estimated two-thirds of all its expenditure goes on passive labour market measures. Some of this goes on expenses related to payment of health and pension insurance premiums, sickness insurance and pension insurance for the registered unemployed drawing unemployment benefits.

The National Labour Office uses an estimated one-third of its finances on implementing active labour market policy instruments. The instruments the Office supports in any given year are decided, to a certain extent, on the basis of labour market strategy and the policy priorities for that year. In 1999, for example, the measures supported are directed at:

- tackling the problems of long-term unemployment;
- combating unemployment in regions with critically high unemployment rates, i.e. where they exceed 25%; and
- increasing expenditure on training as an instrument of active labour market policy.

The National Labour Office has contributed significantly to reducing disparities in regional labour markets by maintaining jobs created by active labour market policy instruments in the previous period as well as by creating new jobs, supporting the implementation of enterprise-based employment projects and retraining.

Through its regional and local labour offices, the National Labour Office provides finance directly to final beneficiaries such as:

- unemployed job-seekers;
- enterprises that wish to create new jobs;
- training institutions;
- retraining agencies and institutions; and
- disabled persons.

5 *Implementation of the ESF*

In accordance with the political decision of the government, the new legislative framework on regional development has been prepared. The Ministry of Labour, Social Affairs and the Family has developed its capacity to coordinate and manage ESF programmes in Slovak Republic. However, the organisation structure for coordination has yet to be set up. The Special Preparatory Programme for Structural Funds may provide technical assistance in this area to the Ministry of Labour, Social Affairs and the Family.

6 Implementation and financial-accountability mechanisms

The Slovak Republic has been setting up the necessary implementation and financial mechanisms as a contingency of its involvement in the new Phare, and other EU, programmes.

The Memorandum of Understanding on the Establishment of the National Fund between the Government of the Slovak Republic and the Commission of the European Communities was signed on 10 December 1999. This was based on Government Resolution No 856 of 2 December 1998.

The Memorandum stipulates that a transparent financial system, which should contribute to the smooth implementation of Phare-funded programmes, should be established. A high-ranking government official, the Secretary of State at the Ministry of Finance, was appointed National Authorising Officer. The Ministry is setting up specialised units to set up and run the system.

The Central Financing and Contracting Unit was established a year earlier and became operational as an implementing agency on 1 January 1998. The Unit is part of the Government Office and administers Phare-funded programmes on the basis of the 1997 and 1998 Financing Memoranda. The Decentralised Implementation System is in place for all procedures, including tenders and implementation. The CFCU, as one of the implementing agencies, is responsible for the financial and administrative aspects of programme implementation. Other implementation agencies operate in the relevant sectors (e.g. the Ministry of the Environment, the Slovak Roads Authority etc.). Technical responsibility for the programme implementation lies with the Project Implementing Units, which are located in Ministries and/or other central offices.

These structures ensure the efficient implementation of the programmes.

7 The main lessons learned from the study visits to EU Member States

Officials from the Ministry of Labour, the Ministry of Education and the National Labour Office took part in study visits to two Member States of the European Union, which were good examples of the different approaches that can be taken towards the issues under review. The knowledge and experience gained are summarised below.

1. The visits demonstrated that Member States differ considerably in terms of economic growth, size, population density etc., but that the administrative structures for the ESF, which is based on economic and geographic conditions, all have to comply with EU legislation and are, more or less, identical.

   In this context, it should be noted that the Slovak Republic is a small country with limited resources. It is important, therefore, that, from the very beginning of ESF activities, responsibilities are distributed properly between the implementing agency and all the key stakeholders (the National Aid Co-ordinator at the Office of the Slovak Government, the Ministry of Labour, Social Affairs and the Family, the National Labour Office, the Ministry of Education, the Ministry of the Economy etc.). A focus on end-users in the regions should be the starting point for the implementation of all ESF-related activities.

   The way the administrative structures are set up should conform to the principles laid down in the legislative framework, the objectives of the national strategy and the priorities it sets out, the principle of financing and co-financing and the requirements of public administration bodies.

The legislative framework

The legislative framework should further the process of bringing Slovak legislation into line with that of the EU and apply the principles of harmonisation to the adoption of the acquis communautaire and the implementation of the ESF. Evidence of Slovak Republic's commitment to the EU accession process is provided by the Association Agreement between the Slovak Republic and the European Communities as well as by the Opinion, the Accession Partnership and the National Programme for the Adoption of the Acquis.

The national strategy

The national strategy for ESF-activities should be developed by one, central office and there should be one objective for the whole country. Communication with the Commission and other EU partners should be through one, officially appointed, partner. Aims and indicators should be consistent with EU procedures in order to avoid overlapping and duplication. On the other hand, a decentralised approach towards actual implementation is strongly recommended.

Co-financing

The issue of co-financing is always a very sensitive one. The number of participating "players" should be limited, from the beginning, in order to achieve transparency in cash flows and the allocation of funds.

Information systems

It seems to be important to underline the necessity of having a proper information system and a proper database of participants. Information should be made available to the social partners, the general public etc. as part of a public awareness campaign on the existence, possibilities and outcomes of ESF projects.

2. The monitoring, evaluation and reporting systems should comply with EU rules. The role of the Joint Monitoring Committees, where the stakeholders are represented, should be considered crucial.
3. Participation in the international labour market network would be very helpful. A visit to the EURES network in Sweden underlined the necessity of promoting networking in candidate countries.
4. The keys to the successful implementation of the ESF programmes in the Slovak Republic will be:
   - a change in the attitudes of all participants towards roles and demarcation lines within the educational sector[9];
   - the involvement of the social partners, especially SMEs;
   - the development of links to Community programmes in education (e.g. Leonardo da Vinci), which should be managed by one unit, as they are in Sweden;
   - the delegation of responsibility to the regions and to the implementing agencies (as happens with FAS in Ireland and AMS in Sweden); and
   - commitment on the part of all the organisations involved.

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[9] The further development of the educational sector and the training of training providers, with a view to making them more responsive to labour market requirements, are very important.

SLOVENIA
Adriatic Sea

B.2.10 Slovenia

1 *The institutional framework: recent developments*

Historical overview

Preparations for European Social Funds in Slovenia already started formally in the Phare 98 programming period. On the request of the Ministry of Labour, Family and Social Affairs, an ESF component was included in the Phare Special Preparatory Programme for Structural Funds, as part of the country's Phare 98 Programme.

The Ministry of Labour, Family and Social Affairs was nominated to be responsible for the overall coordination of the ESF preparatory activities. Within the National Programme for Adoption of the *Acquis Communautaire,* the Ministry set out a long-term strategy for cooperation in the EU pre-accession instruments and integration of Slovenia into EU programmes and initiatives for achieving social cohesion after accession.

As part of this strategy, an inter-ministerial group was set up to prepare an organisational scheme for the coordination and administration of ESF activities in Slovenia. The group was composed of representatives of the Ministry of Labour, Family and Social Affairs, the Ministry of Education and Sports, the Ministry of Economic Affairs, the Ministry of Economic Relations and Development and the Ministry of Agriculture, Forestry and Food. The Ministry of Finance was also invited to cooperate in the group. The representatives of the Ministry of Labour, Family and Social Affairs and of the Ministry of Education and Sports are also members of the national Phare SPP Monitoring Sub-Committee, which monitors the technical implementation of the national Phare SPP Programme.

In November 1998, an ESF Project Team, composed of representatives of the Ministry of Labour, Family and Social Affairs, the Ministry of Education and Sports and the National Employment Office, was appointed. Its function is to participate in the horizontal SPP-ESF, the multi-country Special Preparatory Programme for the European Social Fund which is managed by the European Training Foundation in Turin. The Programme started with a general, introductory seminar in Prague. The ESF Project Team and additional representatives from the Ministry of Education and Sports, the Ministry of Labour, Family and Social Affairs and the Ministry of Economic Relations and Development attended this event. The official list of participants also includes representatives from the Ministry of Economic Affairs, the Ministry of SMEs and Tourism and the Ministry of Finance, but the appointed persons were not able to attend.

On the basis of the experience it has gained to date, the Ministry of Labour, Family and Social Affairs continues to lead the process of preparing an organisational structure for the implementation of the ESF. The ESF Project team needs to be strengthened. It is proposed to do this by setting up a special ESF Project Group, comprising members of the existing ESF Project Team, one representative from the Centre for Vocational Education and Training and one representative from the Department for Financial Control within the Ministry of Labour, Family and Social Affairs.

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2 *The policy frameworks: towards the National Development Programme*

Main background documents

- National Programme for the Adoption of the *Acquis Communautaire*;
- Labour Market Review (which is currently being negotiated with DG V);
- OECD Education Policy Review, Slovenia;
- National Employment Strategy 2000-2006;
- National Employment Action Plan 2000-2002 (which is at the stage of discussion between Ministries and the social partners);
- Active Employment Policy Programme (which has already been approved by the Government); and
- White Paper on Education in Slovenia (1995).

The following summary highlights the major problems in Slovenia and is intended to contribute to the identification of national priorities in the areas of employment, education and training and social affairs.

Unemployment is becoming one of the most serious economic and social problems in Slovenia.

1.1 *Possible solutions outlined in the documents listed above*

- The service sector is an area where there is room for more employment in Slovenia.
- The increase in the active population will be greater that the decrease for some years yet. The forecasted growth in the supply of labour means that it will not be possible to reduce the present high rate of unemployment unless the number of people being employed grows faster than the active population.
- The largest groups of long-term unemployed are the poorly educated (52,5%) and those over 40 (48%).
- Some regions (such as Podravje, Prekmurje and Celje) have been particularly badly affected.

2.2 *Main problems in the area of education and training in relation to the labour market*

- In general, the **educational attainment** of the population of Slovenia is inadequate.
- According to internationally comparable indicators (years of schooling, structure of education), educational attainment in Slovenia lags considerably behind the level achieved in developed EU and OECD countries.
- The issue of **dropouts** from full-time secondary education, especially from vocational education and training programmes, deserves particular attention. To some extent, the phenomenon can be explained by the gap between the aspirations and motivation of pupils in certain vocations and the realistic possibilities they have of enrolling in programmes that will qualify them for the jobs they want.

- **As far as the participation of adults in education and training** is concerned, the findings of some studies show that in-company training of adults is still organised in the same way as it was ten or more years ago. The major problems in the area of adult education provision are:

  1) the content and organisation of courses, which do not correspond to the needs of adults or to the demands of the labour market (less than 10% of programmes lead to formal qualifications, there are only a few general, informal, out-of-school education programmes and most of these are foreign language programmes);
  2) the methodological approaches adopted, i.e. reliance on traditional teaching methods and school-based practices, which do not allow for the development of new types of learning opportunities; and
  3) the lack of cooperation between adult education providers, insufficiently developed links with providers in areas which are, traditionally, not regarded as "educational" (e.g. libraries, health centres, environmental protection agencies, agricultural extension services, welfare centres, career guidance and information centres etc.) and the absence of certain types of adult education providers which are well established abroad (e.g. educational providers with residential facilities).

- Social policies affecting the labour market are adversely affected by the over-representation of certain groups among welfare recipients. Young people aged between 18 and 26 are the largest group and correspond to about 47 per cent of recipients in the second half of 1997. Older people on early retirement and disability pensions are another significant group.

2.3 *What is needed to ensure internationally comparable data and to provide a basis for planning future qualification programmes and measures*

The planning of future vocational training programmes should be based on reliable, and internationally comparable, data on the supply of, and the demand for, skills and qualifications on the labour market. The data required include:

- data on the level of functional literacy in the population, i.e. levels of basic reading, writing and mathematical[10] skills which give access to the simplest jobs and are a prerequisite for any kind of further education;
- analyses of regional differences in the educational and qualification levels of young people and adults and of the reasons for these differences;
- a reliable analysis of drop-out rates of young people and the main reasons for this;
- an analysis of the process of transition from school to work and of job security among young people;
- an analysis of the relationship between achievement in the labour market and further education;
- an analysis of the success of new innovative vocational education and training programmes;
- an analysis of changes in the occupational structure, especially as far as qualifications are concerned;

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[10] Computer literacy is also included in certain countries.

- an assessment of the returns from investment in adult and youth education and training for society, companies and the individuals who take part; and
- a comprehensive analysis of the impact of policy measures on the labour market and on attitudes to education and qualifications and to increased investment in education and training.

2.4 *Response to the problem of unemployment: active employment policy programmes*

The goals of the active employment policy programmes, which are currently underway, are:

1. to develop people's ability to work and to encourage economic growth by helping them adjust to structural changes in the economy;
2. to improve employment possibilities for marginal groups and, in this way, to promote social equality; and
3. to stabilise employment in times of recession and to remove labour market bottlenecks in times of economic prosperity

There are three types of active employment policy programme:

1. programmes for the unemployed –
   education and training programmes,
   public works programmes,
   the Self-Employment Promotion Programme; and
   a programme to promote the employment of disabled persons;
2. Programmes for local communities; and
3. programmes aimed at redundant workers and employers.

2.5 *Considerations for the future: the Slovene Human Resource Development Strategy for the National Development Plan*

The programmes listed above are the main axis of the Slovene human resource development strategy, which is to be included in the Preliminary National Development Plan (and, possibly as a basis for the Phare 2000 - Programme). The aims are:

- to raise the qualification levels of the Slovene population (particularly by encouraging the participation of adults, including young adults, in education and training programmes);
- to improve the quality of professional training (in terms of contents, by developing training in areas like entrepreneurship, foreign languages ICT etc. and also in terms of improved teaching methods and better facilities);
- to extend and improve all forms of active employment policy (through increased professionalism in the running of different active employment programmes, e.g. in the handling and protection of difficult categories of unemployed persons and by paying special attention to the socio-psychological state of young people and adults who are subject to economic and social exclusion, social isolation, loss of self-respect, addiction etc.);
- to improve the professional level of educational and occupational guidance (i.e. through the education and training of teachers, counsellors, social workers etc.);

- to encourage coordination and cooperation, on national, regional and local levels, between education and work, social and health services and cultural activities through, for example,
- the development of different forms of local and regional cooperation between schools, employers and other participants in local and regional life,
- the development of national, regional and local partnerships for vocational education and training and employment as forums of consultation and coordination between all the actors in the socio-economic development of the "district",
- initiating apprenticeship schemes at all levels of education and training, including higher education,
- creating incentives for employers and encouraging them to provide practical training for apprentices and students, as well as to invest more in the education and training of their employees and
- encouraging the creation of inter-company training centres to provide practical training;
- to encourage innovation in the education and training and employment systems, e.g. through the creation of new, formal and informal, paths to education and training, new job opportunities etc.;
- to encourage internationalisation; and
- to create the conditions for a more balanced and harmonised development of the regions in Slovenia.

3 *SPP-ESF training events: the main lessons learnt*

The Slovene ESF-Team participated in the seminars in Prague and Lisbon and chose Portugal and Denmark for their study visits.

One result is that the team certainly acquired a better mastery of ESF *jargon*, i.e. an understanding of the terminology used in the Structural Fund Regulations and in the implementation of the programmes and projects.

A second would be an improvement in their overall understanding of how the Structural Funds and the ESF function and of the organisation, staffing and qualifications required for the administration and implementation of the Funds, i.e., for programming and coordination, management, monitoring, control and evaluation, as well as for participation in the various programmes and initiatives.

The lessons learnt during the horizontal SPP-ESF study visits were also applied in the preparation of an action plan for Slovenia's involvement in the ESF-Pre-accession twinning programme. The plan tries to establish what needs to be done to prepare for the ESF. The tasks it identifies will be carried out in parallel with the events planned for Phases 2 and 3 of the horizontal SPP-ESF programme and will ensure that Slovenia continues with its preparations for the ESF. More detailed descriptions of the plan and the horizontal programme are included in Annexes.

3.1 Administration of the ESF

The delegation was interested to see the extent to which the Structural Funds and the ESF provide decisive support to developments, that would otherwise be difficult to achieve in EU Member States.

However, these instruments need good management and a considerable number of well-trained people at all levels of administration and implementation. A personal approach and flexibility are very important.

The government has to set up clear objectives and priority axes and make ESF rules clear and transparent to all stakeholders. The division of competencies between the different administrative bodies and the rights and duties of project promoters and final beneficiaries must be defined. Specific national legislation related to Structural Fund and ESF management, monitoring and control and the evaluation of the Community Support Framework and the Single Programming Documents should be considered. The Danish decision to introduce a law on the administration of the ESF has proven to be very effective, particularly with regard to the control of irregularities. A legal matrix of this kind should aim to fit in with national and EU procedures. The national rules must obey EU Regulations and must comply with minimal standards, though they can be stricter.

The organisation charged with implementing the ESF has to fulfill four main functions (five, if information and publicity are considered as a special task): programming, management, monitoring and control and evaluation.

Coordination between the different ministries and the other partners involved in the ESF is of the utmost importance. *There can never be enough coordination.* Coordination will become even more important as Agenda 2000 is implemented and there is greater emphasis on cross-fertilisation between the funds and on the challenge of adopting a more holistic approach to employment policies.

The people who are responsible for developing and implementing national labour market policy should also be involved in the ESF Committees, so as to ensure the highest level of synergy between national and ESF interventions.

Decentralisation of decision-making mechanisms is important, even though the country is not organised into administrative regions. The new draft Structural Fund regulations require that social, economic and other actors, on all the levels, are consulted about the Community Support Framework and the Single Programming Documents.

At present, the involvement of the social and economic actors on the different levels varies considerably from country to country.

The management of the ESF can also differ a lot from country to country. Nevertheless there is a tendency to entrust it to independent government *agencies* outside the ministries, with the latter retaining responsibility for political coordination.

The management of part of the ESF funds can be delegated to regional or local agencies or authorities. The decision to do this depends, largely, on traditional regional and local organisation and the networks of organisational structures that already exist in the country.

Sound financial management was emphasised on several occasions. An EU Member State can agree with the Commission to use 5% (or more) of their funds on financial control.

Most EU Member States prepare manuals or guidelines on eligibility and on the costs that can be funded, in their national languages.

For the purpose of evaluation, a methodology, which combines financial and activity indicators, should be developed. Overall evaluation of the Community Support Framework and the Single Programming Documents is entrusted to independent national institutes. At the project level, evaluation can be carried out by the projects themselves but it is well known that this is not the best solution.

It is important to ensure good statistics, particular for programming and the evaluation of the Community Support Framework, the Single Programming Documents and the Operational Programmes. The time needed to establish a good statistical database is often underestimated.

Good communication between the administrative and project levels is also recognised as a very important condition for efficient ESF management. The EU Member States are introducing electronic support and liaison systems to improve communication between these different levels.

Last, but not least, the role of information and publicity in the successful implementation of the ESF programmes and initiatives is often underestimated. The ESF has to be visible at all levels. Although information should be available to all, it is important to focus information strategy on three main target groups: the ESF administration at all levels; the project promoters and the Press; and the potential beneficiaries, i.e. the final users.

3.2 *The EU policy context of the ESF*

The Amsterdam and Luxembourg European Councils in 1997 called for an increased cooperation between Member States in order to fight unemployment and promote employability. A chapter on employment was introduced into the legislative framework for the first time by the Amsterdam Treaty. This chapter underpins the European Employment Strategy, a coordinated strategy for increasing employment, based on the development of a skilled, trained and adaptable workforce and of labour markets responsive to economic change. The employment guidelines, which are agreed annually, are designed to provide a framework for national action. Member States are required to present annual national employment action plans, following the common European employment strategy guidelines, to the Commission. The European Social Fund is the EU's main instrument for promoting employment and has a particular role in supporting national employment policies.

The new Objective 3, which is an ESF objective, will apply to all the territories of the EU and is directed at five main aims:

1 developing an active labour market policy to combat unemployment;

2 promoting social inclusion;

3 developing lifelong education and training systems;

4 improving systems to promote a skilled workforce which can adapt to economic and social change; and

5 equal opportunities

The way the Structural Funds are used in the candidate countries will be based on a series of documents which are now being prepared - the National Development Plan, which will become the Community Support Framework (or the Single Programming Document) when it has been negotiated and approved by the European Commission, and Operational Programmes and Supplements. These documents will have to reflect the stated objectives of the common EU and national action plan priorities.

The situation in the candidate countries must be analysed thoroughly and an *ex-ante* evaluation of priority areas carried out before the Structural Fund programming documents can be presented to the European Commission. The existence of structures and mechanisms for programming and coordination, management, monitoring and control and evaluation is also one of the conditions for access to the Structural Funds.

A lot of practical examples of programmes, measures, activities and projects, which might inspire us in the future, were presented to us during the visits.

4 Conclusions

The ESF Administration and Slovenia

A general conclusion from the SPP-ESF training programme might be that almost all the questions we had before the programme started, i.e., before the seminar in Prague, were answered but a lot of new ones were raised. It became obvious that there is no one solution that can be applied. A balance between Community Regulations and national legal frameworks and traditions has to be found. It is certain that strengthening the existing network of institutions at national and regional levels for the administration and implementation of the ESF activities will be crucial, as will the provision of training in European project management for project promoters. A lot of effort has been put into these kinds of activities in the Member States and at least some of these, like the Danish ESF Multi-fund Project, European Project Manager, should be opened up to, and the results disseminated in, candidate countries. Just as there is never enough coordination, there is never enough training and education.

The events and training sessions were as practical as they could be in the short time available: the MS countries delegates really made a great effort to introduce us to all the different aspects of ESF Administration.

The horizontal SPP-ESF training programme gave us a good basis for future ESF preparatory activities within the different pre-accession instruments available:

1) the national SPP for Structural Funds;
2) the current Phare Programmes;
3) Phare 2000-2006; and
4) other bi-lateral cooperation efforts and special donors' programmes.

After this experience, it is possible to envisage different organisational arrangements for the ESF in Slovenia. In the first phase, it would probably be better to keep the administration of the ESF at national level. The present ESF Project Team should be strengthened and an ESF technical unit created within or outside the Ministry of Labour, Family and Social Affairs, to take over ESF preparation activities (as specified in the Annexes). The administration of ESF-related programmes, sub-programmes and measures could be delegated to bodies that already exist in the relevant ministries, but which may need to be expanded and strengthened.

Regional and local bodies, however, will probably have to have trained ESF project managers, coordinators or assistants to assist ESF project promoters in European project development. These would be able to take over the roles of ESF coordinators or programme managers at a later stage, if a decision to decentralise a part of the ESF administration is taken. In view of the particular focus on the involvement of the social partners at all levels in the new Regulations, initiatives will have to be undertaken to encourage *regions and localities* to organise Committees (consultation and coordination forums) comparable to the Social Partners' Councils and the Regional ESF Committees.

ESF priorities and Slovenia as one of the new Member States

The preparation of the Slovene Human Resource Development Strategy will receive some further support within the Phare 97 Programme, *Modernisation of Curricula, Certification and Assessment of Vocational Education and Training for Youths and Adults in Slovenia,* which is currently being implemented. The strategy will refer to existing economic, social, education and labour market studies and reports, and further studies will be initiated. The development of the strategy will also be coordinated with related activities within the national Phare SPP.

All ESF-related activities will have to be closely connected to the development of the Preliminary National Development Plan, which is the framework for initiatives to be implemented under Phare 2000. Phare 98 SPP-Structural Funds Technical Assistance and Pre-accession Twinning Aid are expected to start in September 1999. If time allows, these should give support to the drawing up of the Preliminary National Development Plan, which is to be finalised by the end of October 1999.

To sum up, the next steps in the process of ESF preparation should be:

- strengthening the ESF Project Team, with a view to creating a new inter-sectoral cooperation structure or deepening existing inter-sectoral cooperation mechanisms based on a clear allocation of tasks and responsibilities to the Ministry of Labour, Family and Social Affairs, the national coordinator of the ESF and the other main partner ministries;
- active participation in the national SPP-Structural Funds technical assistance and twinning activities, i.e.,
- in defining and agreeing on the exact tasks of the Short-Term ESF Pre-accession Adviser,
- in assisting her/him to carry out the different activities defined in the work plan and
- in implementing, monitoring and evaluating the national SPP Structural Funds Technical Assistance component;
- linking ESF preparatory activities with current and future Phare Programmes Activities;
- linking ESF activities with other EU Community Programmes (such as Socrates, Leonardo da Vinci, Youth for Europe etc.);
- identifying institutions that could be involved in implementing ESF programmes, sub-programmes and measures and identifying possible ESF project promoters at national, regional and local levels with a view to involving them in different ESF training activities;
- clarifying the organisation of, and responsibility for, the human resource development chapters in the Preliminary National Development Plan; and
- initiating activities aimed at increasing public awareness of the importance of the European Social Fund as the main EU instrument for achieving social cohesion between EU regions.

The present ESF Project Dossier comprises:

1. The SPP ESF Country Report, with Annexes:

   Coordination between different levels of intervention

   An outline of the organisational structure for administering and implementing labour market, and education and training, policy.

2. An outline of the tasks to be carried out by ESF Project Group, including:

   a description of the follow-up to the First Phase of the Phare ESF-SPP Programme, which is managed by the European Training Foundation; and

   the agreement about possible cooperation with DG V and the Member States.

This document has to be considered in relation to the draft proposal on the estimated budget required for the "establishment of an organisational structure for adhering to and implementing ESF policy and the National Employment Action Plan", prepared by the Agency for EU Programmes.

1. European Social Fund Twinning Arrangements between the Governments of the UK and Slovenia

   The draft agreement on this was signed on 5 July 1999. It is included in the national SPP for the Structural Funds, along with a draft overview of Phare pilot initiatives and projects that mignt be eligible for ESF support.